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**SENATE BILL 6614**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Takko, Wellman, Lovelett, Keiser, Randall, Stanford, and Van De Wege

1 AN ACT Relating to establishing the rural college promise  
2 program; amending RCW 82.04.299; reenacting and amending RCW  
3 43.79A.040; adding a new chapter to Title 28B RCW; and providing  
4 expiration dates.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that investment  
7 in rural higher education is essential for rebuilding rural  
8 economies. The legislature finds that it is essential that Washington  
9 residents in rural counties have the opportunity to prosper with  
10 well-compensated and productive jobs in these rural counties with  
11 pathways for these jobs enabled by public investments in higher  
12 education. The legislature recognizes that students in rural  
13 Washington are subject to a unique combination of barriers to  
14 postsecondary education, including geographic, racial/ethnic, and  
15 income barriers. The legislature also recognizes the importance of  
16 postsecondary institutions as centers of educational excellence,  
17 workforce development, and economic development. The legislature  
18 finds that Washington state has several successful programs that help  
19 Washington students train for Washington jobs, including the  
20 Washington college grant, the guided pathways initiative at the  
21 community and technical colleges, and degree and apprenticeship

1 programs in high demand fields, such as computer science,  
2 engineering, and nursing. The legislature further finds that  
3 providing additional resources for workforce investments is a  
4 critical component to encourage economic development in rural  
5 Washington. Therefore, the legislature intends to create a rural  
6 college promise program, that will expand on the existing workforce  
7 education investment act to enable rural students to earn credentials  
8 essential to obtaining well-compensated jobs and encourage economic  
9 development, thereby rebuilding rural economies in Washington state.

10 NEW SECTION. **Sec. 2.** (1) The purpose of the rural college  
11 promise program is to encourage more Washington residents in rural  
12 regions to enroll in and successfully complete a degree or  
13 certificate that will lead to opportunities for further education,  
14 jobs, and economic opportunity and security. By making a higher  
15 education credential accessible for all residents, Washington will  
16 progress towards the legislature's goal of seventy percent of  
17 Washington adults having a postsecondary credential by 2023.

18 (2) It is the intent of the legislature to implement the program  
19 beginning with up to four pilot community colleges. The legislature  
20 recognizes that promise programs are proven to significantly increase  
21 high school graduation rates by ensuring that all high school  
22 graduates know they can attend community or technical college  
23 regardless of their family incomes. Thus, investment in these  
24 programs is an evidence-based means to improve high school graduation  
25 rates and to reduce opportunity gaps in postsecondary education for  
26 students from underrepresented minority groups, low-income students,  
27 foster youth, students with disabilities, and older nontraditional  
28 students.

29 NEW SECTION. **Sec. 3.** The definitions in this section apply  
30 throughout this chapter unless the context clearly requires  
31 otherwise.

32 (1) "Community college" has the same meaning as in RCW  
33 28B.50.030.

34 (2) "Council" means the student achievement council.

35 (3)(a) "Gift aid" means financial aid received from the federal  
36 Pell grant, the state need grant program under chapter 28B.92 RCW,  
37 the college bound scholarship program under chapter 28B.118 RCW, the  
38 opportunity grant program under chapter 28B.50 RCW, the opportunity

1 scholarship program under chapter 28B.145 RCW, and any other state  
2 grant or scholarship program that provides funds for educational  
3 purposes with no obligation of repayment.

4 (b) "Gift aid" does not include student loans or work-study  
5 programs.

6 (4) "Office" means the office of student financial assistance.

7 (5) "Program" means the rural college promise program.

8 (6) "Resident student" has the same meaning as in RCW 28B.15.012.

9 (7) "Rural college promise award" means an award that is  
10 equivalent to tuition and required fees plus five hundred dollars for  
11 books and materials, prorated quarterly, at a community college or  
12 technical college.

13 (8) "Technical college" has the same meaning as in RCW  
14 28B.50.030.

15 NEW SECTION. **Sec. 4.** (1) The rural college promise program is  
16 established to demonstrate the impact of free college programs in  
17 improving job training and retraining, technical education,  
18 participation in apprenticeships, high school graduation rates,  
19 college matriculation, and subsequent postsecondary degree and  
20 credential attainment.

21 (2) Subject to the availability of amounts appropriated for this  
22 specific purpose, for the 2020-21 academic year, the office shall  
23 select up to four community colleges or technical colleges to  
24 participate in the rural college promise program.

25 (3) The office shall use the following criteria in identifying  
26 community and technical colleges to participate in the program:

27 (a) The participating community or technical college campus must  
28 be in one of the following counties: Adams, Asotin, Benton, Chelan,  
29 Clallam, Columbia, Cowlitz, Douglas, Ferry, Franklin, Garfield,  
30 Grant, Grays Harbor, Jefferson, Kittitas, Klickitat, Lewis, Lincoln,  
31 Mason, Okanogan, Pacific, Pend Oreille, Skamania, Stevens, Wahkiakum,  
32 Walla Walla, Whitman, and Yakima; and

33 (b) Each of the community or technical colleges selected for the  
34 pilot program must be located in different legislative districts with  
35 at least one selected from the eastern side of the crest of the  
36 Cascade mountain range and one from the western side of the crest of  
37 the Cascade mountain range.

1 (4) All students at the community and technical colleges selected  
2 for participation in the program are eligible to receive the rural  
3 college promise awards if the student:

4 (a) Has been a resident over the age of sixteen of the state of  
5 Washington for at least one year; or

6 (b) (i) Is a resident student as defined in RCW 28B.15.012(2) (a)  
7 through (e); and

8 (ii) Is enrolled or accepted for enrollment for at least three  
9 quarter credits or the equivalent at the participating community or  
10 technical college.

11 (5) To remain eligible for the program, once a student has earned  
12 forty-five credits, the student must meet the requirements of the  
13 community or technical college's satisfactory academic progress  
14 policy for state financial aid in order to remain qualified.

15 (6) An eligible student may receive a rural college promise award  
16 for a maximum of one hundred twelve quarter credits or the semester  
17 equivalent.

18 (7) An eligible student enrolled on a part-time basis shall  
19 receive a prorated portion of a rural college promise award for any  
20 academic period in which he or she is enrolled on a part-time basis.

21 (8) The rural college promise award shall be awarded to eligible  
22 students prior to any gift aid.

23 (9) Community and technical colleges participating in the program  
24 must offer assistance in filing an annual application for aid as  
25 approved by the office.

26 NEW SECTION. **Sec. 5.** The rural college promise program account  
27 is created in the custody of the state treasurer. All revenues from  
28 the surcharge imposed in RCW 82.04.299 must be deposited into the  
29 account, including principal and interest. Expenditures from the  
30 account may only be used for rural college promise program awards  
31 established pursuant to section 4 of this act and costs associated  
32 with program administration by the council. Only the executive  
33 director of the council or the executive director's designee may  
34 authorize expenditures from the account. No appropriation is required  
35 for expenditures from the account for rural college promise awards or  
36 administration costs of the rural college promise program by the  
37 office. The account is subject to allotment procedures under chapter  
38 43.88 RCW, but an appropriation is not required for expenditures.

1        NEW SECTION.    **Sec. 6.**    (1) The joint legislative audit and review  
2 committee shall evaluate the effectiveness of the rural college  
3 promise program, including but not limited to:

4        (a) Changes in college attendance rates among rural high school  
5 students, as a cohort and by race and ethnicity;

6        (b) Changes in adult participation in community and technical  
7 college programs at eligible institutions, as a cohort and by race  
8 and ethnicity;

9        (c) Effects on student persistence, completion, and time-to-  
10 degree rates in eligible degree or certificate programs as a result  
11 of receipt of awards, as a cohort and by race and ethnicity;

12        (d) Any change in need or delivery of student services;

13        (e) The fiscal impact of the programs on the students,  
14 participating community and technical colleges, local communities,  
15 and the state;

16        (f) Any other benefits to students, communities, or the state as  
17 a result of the program.

18        (2) The joint legislative audit and review committee shall  
19 release a preliminary report evaluating the effectiveness of the  
20 rural college promise program by December 1, 2024, and a final report  
21 by December 1, 2026.

22        **Sec. 7.**    RCW 82.04.299 and 2019 c 406 s 74 are each amended to  
23 read as follows:

24        The legislature intends to secure additional revenue via  
25 surcharges targeted towards certain industries including select  
26 advanced computing businesses.

27        The legislature intends the provisions of chapter 406, Laws of  
28 2019 to be applied broadly in favor of application of the surcharges.  
29 To achieve this intent, any provision within chapter 406, Laws of  
30 2019 that is deemed to be ambiguous by a court of competent  
31 jurisdiction, the board of tax appeals, or any other judicial or  
32 administrative body, should be construed in favor of application of  
33 the surcharges. The rule of statutory construction in favor of the  
34 application of the surcharge under this paragraph does not apply on  
35 or after January 1, 2022.

36        (1)(a) Beginning with business activities occurring on or after  
37 January 1, 2020, in addition to the taxes imposed under RCW  
38 82.04.290(2), a workforce education investment surcharge is imposed  
39 on specified persons. The surcharge is equal to the total amount of

1 tax payable by the person on business activities taxed under RCW  
2 82.04.290(2), before application of any tax credits, multiplied by  
3 the rate of twenty percent.

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

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

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

14 (a) Computer software publishing or publishing and reproduction.  
15 Establishments in this industry carry out operations necessary for  
16 producing and distributing computer software, such as designing,  
17 providing documentation, assisting in installation, and providing  
18 support services to software purchasers. These establishments may  
19 design, develop, and publish, or publish only. These establishments  
20 may publish and distribute software remotely through subscriptions  
21 and downloads;

22 (b) Conducting original investigation undertaken on a systematic  
23 basis to gain new knowledge or the application of research findings  
24 or other scientific knowledge for the creation of new or  
25 significantly improved products or processes. Techniques may include  
26 modeling and simulation. The industries within this industry group  
27 are defined on the basis of the domain of research and on scientific  
28 expertise of the establishment;

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

33 (d) Providing expertise in the field of information technologies  
34 through one or more of the following activities: (i) Writing,  
35 modifying, testing, and supporting computer software to meet the  
36 needs of a particular customer; (ii) planning and designing computer  
37 systems that integrate computer hardware, computer software, and  
38 communication technologies; (iii) on-site management and operation of  
39 clients' computer systems and data processing facilities; or (iv)

1 other professional and technical computer-related advice and  
2 services;

3 (e) Performing central banking functions, such as issuing  
4 currency, managing the nation's money supply and international  
5 reserves, holding deposits that represent the reserves of other banks  
6 and other central banks, and acting as a fiscal agent for the central  
7 government;

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

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

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

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

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

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

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

29 (l) Providing infrastructure for hosting or data processing  
30 services. These establishments may provide specialized hosting  
31 activities, such as web hosting, streaming services, or application  
32 hosting, or they may provide general time-share mainframe facilities  
33 to clients. Data processing establishments provide complete  
34 processing and specialized reports from data supplied by clients or  
35 provide automated data processing and data entry services;

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



1 (n) Offering legal services, such as those offered by offices of  
2 lawyers, offices of notaries, and title abstract and settlement  
3 offices, and paralegal services;

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

16 (p) Providing telecommunications services to other establishments  
17 in the telecommunications and broadcasting industries by forwarding  
18 and receiving communications signals via a system of satellites or  
19 reselling satellite telecommunications;

20 (q) Operating and maintaining switching and transmission  
21 facilities to provide communications via the airwaves. Establishments  
22 in this industry have spectrum licenses and provide services using  
23 that spectrum, such as cellular phone services, paging services,  
24 wireless internet access, and wireless video services;

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

28 (s) Underwriting annuities and insurance policies and investing  
29 premiums to build up a portfolio of financial assets to be used  
30 against future claims. Direct insurance carriers are establishments  
31 that are primarily engaged in initially underwriting and assuming the  
32 risk of annuities and insurance policies. Reinsurance carriers are  
33 establishments that are primarily engaged in assuming all or part of  
34 the risk associated with an existing insurance policy originally  
35 underwritten by another insurance carrier. Industries are defined in  
36 terms of the type of risk being insured against, such as death, loss  
37 of employment because of age or disability, or property damage.  
38 Contributions and premiums are set on the basis of actuarial  
39 calculations of probable payouts based on risk factors from  
40 experience tables and expected investment returns on reserves;

1 (t) Merchant wholesale distribution of photographic equipment and  
2 supplies and office, computer, and computer peripheral equipment and  
3 medical, dental, hospital, ophthalmic, and other commercial and  
4 professional equipment and supplies;

5 (u) Operating studios and facilities for the broadcasting of  
6 programs on a subscription or fee basis. The broadcast programming is  
7 typically narrowcast in nature. These establishments produce  
8 programming in their own facilities or acquire programming from  
9 external sources. The programming material is usually delivered to a  
10 third party, such as cable systems or direct-to-home satellite  
11 systems, for transmission to viewers;

12 (v) Publishing newspapers, magazines, other periodicals, books,  
13 directories and mailing lists, and other works, such as calendars,  
14 greeting cards, and maps. These works are characterized by the  
15 intellectual creativity required in their development and are usually  
16 protected by copyright. Publishers distribute or arrange for the  
17 distribution of these works. Publishing establishments may create the  
18 works in-house, or contract for, purchase, or compile works that were  
19 originally created by others. These works may be published in one or  
20 more formats, such as print or electronic form, including proprietary  
21 electronic networks. Establishments in this industry may print,  
22 reproduce, or offer direct access to the works themselves or may  
23 arrange with others to carry out such functions. Establishments that  
24 both print and publish may fill excess capacity with commercial or  
25 job printing. However, the publishing activity is still considered to  
26 be the primary activity of these establishments;

27 (w) Generating, transmitting, or distributing electric power.  
28 Establishments in this industry group may perform one or more of the  
29 following activities: (i) Operate generation facilities that produce  
30 electric energy; (ii) operate transmission systems that convey the  
31 electricity from the generation facility to the distribution system;  
32 or (iii) operate distribution systems that convey electric power  
33 received from the generation facility or the transmission system to  
34 the final consumer;

35 (x) Providing specialized design services including interior  
36 design, industrial design, graphic design, and others, but not  
37 including architectural, engineering, and computer systems design;

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

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

4 (aa) Business-to-business electronic markets that bring together  
5 buyers and sellers of goods using the internet or other electronic  
6 means and generally receive a commission or fee for the service.  
7 Business-to-business electronic markets for durable and nondurable  
8 goods are included in this industry. This industry comprises  
9 wholesale trade agents and brokers acting on behalf of buyers or  
10 sellers in the wholesale distribution of goods. Agents and brokers do  
11 not take title to the goods being sold but rather receive a  
12 commission or fee for their service. Agents and brokers for all  
13 durable and nondurable goods are included in this industry;

14 (bb) Accepting deposits or share deposits and in lending funds  
15 from these deposits. Within this group, industries are defined on the  
16 basis of differences in the types of deposit liabilities assumed and  
17 in the nature of the credit extended;

18 (cc)(i) Manufacturing complete aircraft, missiles, or space  
19 vehicles; (ii) manufacturing aerospace engines, propulsion units,  
20 auxiliary equipment or parts; (iii) developing and making prototypes  
21 of aerospace products; (iv) aircraft conversion; or (v) complete  
22 aircraft or propulsion systems overhaul and rebuilding;

23 (dd) Advertising, public relations, and related services, such as  
24 media buying, independent media representation, outdoor advertising,  
25 direct mail advertising, advertising material distribution services,  
26 and other services related to advertising;

27 (ee) Providing services, such as auditing of accounting records,  
28 designing accounting systems, preparing financial statements,  
29 developing budgets, preparing tax returns, processing payrolls,  
30 bookkeeping, and billing;

31 (ff) The independent practice of general or specialized medicine  
32 or surgery by businesses comprised of one or more health  
33 practitioners having the degree of doctor of medicine or doctor of  
34 osteopathy. These practitioners operate private or group practices in  
35 their own offices or in the facilities of others, such as hospitals  
36 or health maintenance organization medical centers;

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

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

4 (ii) Promoting the interests of an organization's members, except  
5 religious organizations, social advocacy organizations, and civic and  
6 social organizations. Examples of establishments in this industry are  
7 business associations, professional organizations, labor unions, and  
8 political organizations;

9 (jj) Holding the securities of or other equity interests in  
10 companies and enterprises for the purpose of owning a controlling  
11 interest or influencing management decisions or businesses that  
12 administer, oversee, and manage other establishments of the company  
13 or enterprise and that normally undertake the strategic or  
14 organizational planning and decision-making role of the company or  
15 enterprise. Establishments that administer, oversee, and manage may  
16 hold the securities of the company or enterprise;

17 (kk) For medical and diagnostic laboratories, providing analytic  
18 or diagnostic services, including body fluid analysis and diagnostic  
19 imaging, generally to the medical profession or to the patient on  
20 referral from a health practitioner;

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

1 and Alaska Native councils, courts, and law enforcement bodies. This  
2 industry comprises government establishments primarily engaged in  
3 providing general support for government. Such support services  
4 include personnel services, election boards, and other general  
5 government support establishments that are not classified elsewhere  
6 in public administration;

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

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

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

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

33 (qq) Providing ambulatory health care services.

34 (3) (a) (i) For the purposes of this section, a person is primarily  
35 engaged within this state in any combination of the activities  
36 described in subsection (2) of this section if more than fifty  
37 percent of the person's cumulative gross amount reportable under this  
38 chapter during the entire current or immediately preceding calendar  
39 year was generated from engaging in any one or more of the activities  
40 described in subsection (2) of this section. For purposes of this

1 subsection, "gross amount reportable" means the total value of  
2 products, gross proceeds of sales, and gross income of the business,  
3 reportable to the department before application of any tax  
4 deductions.

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

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

24 (4)(a) Beginning with business activities occurring on or after  
25 January 1, 2020, in addition to the taxes imposed under RCW  
26 82.04.290(2), a workforce education investment surcharge is imposed  
27 on select advanced computing businesses as follows:

28 (i) For an affiliated group that has worldwide gross revenue of  
29 more than twenty-five billion dollars, but not more than one hundred  
30 billion dollars, during the entire current or immediately preceding  
31 calendar year, the surcharge is equal to the total amount of tax  
32 payable by each member of the affiliated group on all business  
33 activities taxed under RCW 82.04.290(2), before application of any  
34 tax credits, multiplied by the rate of thirty-three and one-third  
35 percent.

36 (ii) For an affiliated group that has worldwide gross revenue of  
37 more than one hundred billion dollars during the entire current or  
38 immediately preceding calendar year, the surcharge is equal to the  
39 total amount of tax payable by each member of the affiliated group on  
40 all business activities taxed under RCW 82.04.290(2), before

1 application of any tax credits, multiplied by the rate of sixty-six  
2 and two-thirds percent.

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

7 (c) For persons subject to the surcharge imposed under this  
8 subsection (4) that report under one or more tax classifications, the  
9 surcharge applies only to business activities taxed under RCW  
10 82.04.290(2).

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

14 (e) To aid in the effective administration of the surcharge in  
15 this subsection (4), the department may require persons believed to  
16 be engaging in advanced computing or affiliated with a person  
17 believed to be engaging in advanced computing to disclose whether  
18 they are a member of an affiliated group and, if so, to identify all  
19 other members of the affiliated group subject to the surcharge. If  
20 the department determines that a person, with intent to evade the  
21 surcharge under this subsection (4), failed to fully comply with this  
22 subsection (4)(e), the (~~seven~~) fifteen million dollar limitation in  
23 (b) of this subsection (4) does not apply to the person's affiliated  
24 group.

25 (f) For the purposes of this subsection (4) the following  
26 definitions apply:

27 (i) "Advanced computing" means designing or developing computer  
28 software or computer hardware, whether directly or contracting with  
29 another person, including modifications to computer software or  
30 computer hardware, cloud computing services, or operating an online  
31 marketplace, an online search engine, or online social networking  
32 platform;

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

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

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

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

5 (vi) "Select advanced computing business" means a person who is a  
6 member of an affiliated group with at least one member of the  
7 affiliated group engaging in the business of advanced computing, and  
8 the affiliated group has worldwide gross revenue of more than twenty-  
9 five billion dollars during the entire current or immediately  
10 preceding calendar year. A person who is primarily engaged within  
11 this state in the provision of commercial mobile service, as that  
12 term is defined in 47 U.S.C. Sec. 332(d)(1), shall not be considered  
13 a select advanced computing business. A person who is primarily  
14 engaged in this state in the operation and provision of access to  
15 transmission facilities and infrastructure that the person owns or  
16 leases for the transmission of voice, data, text, sound, and video  
17 using wired telecommunications networks shall not be considered a  
18 select advanced computing business.

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

23 (6) Revenues generated from the surcharge under subsection (4) of  
24 this section above seven million dollars must be deposited in the  
25 rural college promise program account created in section 5 of this  
26 act and the remainder of the revenues from the surcharges under this  
27 section must be deposited directly into the workforce education  
28 investment account established in RCW 43.79.195.

29 (7) The department has the authority to determine through an  
30 audit or other investigation whether a person is subject to the  
31 surcharges imposed in this section. The department's determination  
32 that a person is subject to the surcharge is presumed to be correct  
33 unless the person shows by clear, cogent, and convincing evidence  
34 that the department's determination was incorrect. The increased  
35 evidentiary standard under this subsection (7) does not apply after  
36 January 1, 2022.

37 **Sec. 8.** RCW 43.79A.040 and 2019 c 448 s 10, 2019 c 363 s 21,  
38 2019 c 295 s 225, 2019 c 282 s 7, 2019 c 266 s 26, and 2019 c 157 s 4  
39 are each reenacted and amended to read as follows:



1 (1) Money in the treasurer's trust fund may be deposited,  
2 invested, and reinvested by the state treasurer in accordance with  
3 RCW 43.84.080 in the same manner and to the same extent as if the  
4 money were in the state treasury, and may be commingled with moneys  
5 in the state treasury for cash management and cash balance purposes.

6 (2) All income received from investment of the treasurer's trust  
7 fund must be set aside in an account in the treasury trust fund to be  
8 known as the investment income account.

9 (3) The investment income account may be utilized for the payment  
10 of purchased banking services on behalf of treasurer's trust funds  
11 including, but not limited to, depository, safekeeping, and  
12 disbursement functions for the state treasurer or affected state  
13 agencies. The investment income account is subject in all respects to  
14 chapter 43.88 RCW, but no appropriation is required for payments to  
15 financial institutions. Payments must occur prior to distribution of  
16 earnings set forth in subsection (4) of this section.

17 (4)(a) Monthly, the state treasurer must distribute the earnings  
18 credited to the investment income account to the state general fund  
19 except under (b), (c), and (d) of this subsection.

20 (b) The following accounts and funds must receive their  
21 proportionate share of earnings based upon each account's or fund's  
22 average daily balance for the period: The 24/7 sobriety account, the  
23 Washington promise scholarship account, the Gina Grant Bull memorial  
24 legislative page scholarship account, the Washington advanced college  
25 tuition payment program account, the Washington college savings  
26 program account, the rural college promise program account, the  
27 accessible communities account, the Washington achieving a better  
28 life experience program account, the community and technical college  
29 innovation account, the agricultural local fund, the American Indian  
30 scholarship endowment fund, the foster care scholarship endowment  
31 fund, the foster care endowed scholarship trust fund, the contract  
32 harvesting revolving account, the Washington state combined fund  
33 drive account, the commemorative works account, the county enhanced  
34 911 excise tax account, the county road administration board  
35 emergency loan account, the toll collection account, the  
36 developmental disabilities endowment trust fund, the energy account,  
37 the fair fund, the family and medical leave insurance account, the  
38 fish and wildlife federal lands revolving account, the natural  
39 resources federal lands revolving account, the food animal  
40 veterinarian conditional scholarship account, the forest health

1 revolving account, the fruit and vegetable inspection account, the  
2 educator conditional scholarship account, the game farm alternative  
3 account, the GET ready for math and science scholarship account, the  
4 Washington global health technologies and product development  
5 account, the grain inspection revolving fund, the Washington history  
6 day account, the industrial insurance rainy day fund, the juvenile  
7 accountability incentive account, the law enforcement officers' and  
8 firefighters' plan 2 expense fund, the local tourism promotion  
9 account, the low-income home rehabilitation revolving loan program  
10 account, the multiagency permitting team account, the northeast  
11 Washington wolf-livestock management account, the pilotage account,  
12 the produce railcar pool account, the regional transportation  
13 investment district account, the rural rehabilitation account, the  
14 Washington sexual assault kit account, the stadium and exhibition  
15 center account, the youth athletic facility account, the self-  
16 insurance revolving fund, the children's trust fund, the Washington  
17 horse racing commission Washington bred owners' bonus fund and  
18 breeder awards account, the Washington horse racing commission class  
19 C purse fund account, the individual development account program  
20 account, the Washington horse racing commission operating account,  
21 the life sciences discovery fund, the Washington state library-  
22 archives building account, the reduced cigarette ignition propensity  
23 account, the center for deaf and hard of hearing youth account, the  
24 school for the blind account, the Millersylvania park trust fund, the  
25 public employees' and retirees' insurance reserve fund, the school  
26 employees' benefits board insurance reserve fund, the public  
27 employees' and retirees' insurance account, the school employees'  
28 insurance account, the long-term services and supports trust account,  
29 the radiation perpetual maintenance fund, the Indian health  
30 improvement reinvestment account, and the library operations account.

31 (c) The following accounts and funds must receive eighty percent  
32 of their proportionate share of earnings based upon each account's or  
33 fund's average daily balance for the period: The advanced right-of-  
34 way revolving fund, the advanced environmental mitigation revolving  
35 account, the federal narcotics asset forfeitures account, the high  
36 occupancy vehicle account, the local rail service assistance account,  
37 and the miscellaneous transportation programs account.

38 (d) Any state agency that has independent authority over accounts  
39 or funds not statutorily required to be held in the custody of the  
40 state treasurer that deposits funds into a fund or account in the

1 custody of the state treasurer pursuant to an agreement with the  
2 office of the state treasurer shall receive its proportionate share  
3 of earnings based upon each account's or fund's average daily balance  
4 for the period.

5 (5) In conformance with Article II, section 37 of the state  
6 Constitution, no trust accounts or funds shall be allocated earnings  
7 without the specific affirmative directive of this section.

8 NEW SECTION. **Sec. 9.** Sections 1 through 6, 10, and 11 of this  
9 act constitute a new chapter in Title 28B RCW.

10 NEW SECTION. **Sec. 10.** This act may be known and cited as the  
11 rural college promise act.

12 NEW SECTION. **Sec. 11.** This chapter expires July 1, 2030.

13 NEW SECTION. **Sec. 12.** Sections 7 and 8 of this act expire July  
14 1, 2030.

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