

SSB 6038 - S AMD 592
By Senator Robinson

ADOPTED AS AMENDED 02/09/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) This section is the tax preference
4 performance statement for the tax preference contained in section 2,
5 chapter . . . , Laws of 2024 (section 2 of this act). This performance
6 statement is only intended to be used for subsequent evaluation of
7 the tax preferences. It is not intended to create a private right of
8 action by any party or to be used to determine eligibility for
9 preferential tax treatment.

10 (2) The legislature categorizes this tax preference as one
11 intended to provide tax relief for certain businesses or individuals,
12 as indicated in RCW 82.32.808(2)(e).

13 (3) It is the legislature's specific public policy objective to
14 reduce the costs associated with providing child care by expanding
15 the business and occupation tax exemption for child care services to
16 include income derived from the care and education of children up to
17 age 12.

18 (4) If a review finds a reduction in the cost of providing child
19 care and education, then the legislature intends to extend the
20 expiration date of this tax preference.

21 (5) In order to obtain the data necessary to perform the review
22 in subsection (4) of this section, the joint legislative audit and
23 review committee may refer to any data collected by the state.

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
25 RCW to read as follows:

26 (1) This chapter does not apply to amounts received by a child
27 care provider for the care or supervision of children:

- 28 (a) Under 13 years of age; or
- 29 (b) Under 19 years of age who have a verified special need or are
30 under court supervision as determined by the department of children,
31 youth, and families under chapter 43.216 RCW.

1 (2) This section expires January 1, 2035.

2 **Sec. 3.** RCW 82.04.2905 and 1998 c 312 s 7 are each amended to
3 read as follows:

4 (1) Upon every person engaging within this state in the business
5 of providing child care for periods of less than twenty-four hours (~~(
6 as to such persons)~~), the amount of tax with respect to such business
7 (~~(shall be)~~) is equal to the gross proceeds derived from such sales
8 multiplied by the rate of 0.484 percent.

9 (2) For the purpose of this section, "child care" means the care
10 or supervision of children 13 years of age or older. "Child care"
11 does not include the care and supervision of children under age 19
12 who have a verified special need or are under court supervision as
13 determined by the department of children, youth, and families under
14 chapter 43.216 RCW.

15 **Sec. 4.** RCW 43.216.300 and 2018 c 58 s 41 are each amended to
16 read as follows:

17 (~~((1))~~) The secretary (~~(shall)~~) may not charge fees to the
18 licensee for obtaining a child care license. (~~(The secretary may~~
19 ~~waive the fees when, in the discretion of the secretary, the fees~~
20 ~~would not be in the best interest of public health and safety, or~~
21 ~~when the fees would be to the financial disadvantage of the state.~~

22 (~~(2) Fees charged shall be based on, but shall not exceed, the~~
23 ~~cost to the department for the licensure of the activity or class of~~
24 ~~activities and may include costs of necessary inspection.~~

25 (~~(3) The secretary shall establish the fees charged by rule.~~)

26 **Sec. 5.** RCW 43.216.305 and 2021 c 304 s 14 are each amended to
27 read as follows:

28 (1) Each agency shall make application for a license or the
29 continuation of a full license to the department using a method
30 prescribed by the department. Upon receipt of such application, the
31 department shall either grant or deny a license or continuation of a
32 full license within ninety days. A license or continuation shall be
33 granted if the agency meets the minimum requirements set forth in
34 this chapter and the departmental requirements consistent with this
35 chapter, except that an initial license may be issued as provided in
36 RCW 43.216.315. The department shall consider whether an agency is in
37 good standing, as defined in subsection (4)(b) of this section,

1 before granting a continuation of a full license. Full licenses
2 provided for in this chapter shall continue to remain valid so long
3 as the licensee meets the requirements for a nonexpiring license in
4 subsection (2) of this section and may be transferred to a new
5 licensee in the event of a transfer of ownership of a child care
6 operation. The licensee, however, shall advise the secretary of any
7 material change in circumstances which might constitute grounds for
8 reclassification of license as to category. The license issued under
9 this chapter applies only to the licensee and the location stated in
10 the application. For licensed family day care homes having an
11 acceptable history of child care, the license may remain in effect
12 for two weeks after a move.

13 (2) In order to qualify for a nonexpiring full license, a
14 licensee must meet the following requirements on an annual basis as
15 established from the date of initial licensure:

16 (a) (~~Submit the annual licensing fee;~~
17 ~~(b)~~) Submit a declaration to the department indicating the
18 licensee's intent to continue operating a licensed child care
19 program, or the intent to cease operation on a date certain;

20 (~~(c)~~) (b) Submit a declaration of compliance with all licensing
21 rules; and

22 (~~(d)~~) (c) For all current employees of the agency and as
23 defined by department rule, submit background check applications into
24 the department's electronic workforce registry on the schedule
25 established by the department.

26 (3) If a licensee fails to meet the requirements in subsection
27 (2) of this section for continuation of a full license the license
28 expires and the licensee must submit a new application for licensure
29 under this chapter.

30 (4) (a) Nothing about the nonexpiring license process may
31 interfere with the department's established monitoring practice.

32 (b) For the purpose of this section, an agency is considered to
33 be in good standing if in the intervening period between monitoring
34 visits the agency does not have any of the following:

35 (i) Valid complaints;

36 (ii) A history of noncompliance related to those valid complaints
37 or pending from prior monitoring visits; or

38 (iii) Other information that when evaluated would result in a
39 finding of noncompliance with this section.

1 (c) The department shall consider whether an agency is in good
2 standing when determining the most appropriate approach and process
3 for monitoring visits, for the purposes of administrative efficiency
4 while protecting children, consistent with this chapter. If the
5 department determines that an agency is not in good standing, the
6 department may issue a probationary license, as provided in RCW
7 43.216.320.

8 NEW SECTION. **Sec. 6.** Sections 1, 2, and 3 of this act take
9 effect October 1, 2024."

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10 On page 1, line 2 of the title, after "care;" strike the
11 remainder of the title and insert "amending RCW 82.04.2905,
12 43.216.300, and 43.216.305; adding a new section to chapter 82.04
13 RCW; creating a new section; providing an effective date; and
14 providing an expiration date."

EFFECT: Provides an expiration date and requires the JLARC review
for the B&O tax exemption.

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