H-2424.2

# HOUSE BILL 2100

**State of Washington 69th Legislature 2026 Regular Session**

**By** Representatives Scott, Mena, Thomas, Reed, Parshley, Hill, Ryu, Doglio, Simmons, Peterson, Berry, Pollet, Santos, Street, Gregerson, Obras, Farivar, Macri, and Fosse

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AN ACT Relating to enacting an excise tax on large operating companies on the amount of payroll expenses above the minimum wage threshold of the additional medicare tax to fund services to benefit Washingtonians and establishing the Well Washington fund account; adding a new section to chapter 43.79 RCW; adding a new Title to the Revised Code of Washington to be codified as Title 50C RCW; creating a new section; and prescribing penalties.

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

## PART I
## LEGISLATIVE INTENT

NEW SECTION. **Sec. 1.** (1) The legislature finds that the 2025 federal H.R. 1 reconciliation bill, Public Law 119-21, will result in substantial cuts to staple silos of public sector spending.

(2) The legislature finds that the office of financial management has identified higher education, energy and economic development, food assistance via the supplemental nutrition assistance program (SNAP, i.e. "food stamps"), and health care (especially medicaid) as state spending areas most impacted by H.R. 1. The office of financial management has said that "H.R. 1 will influence how Washingtonians access basic services, get health care, and pursue education."

(3) The legislature finds that programs thousands of Washingtonians depend upon will be defunded as a result of H.R. 1. Washington state stands to lose up to $51 billion in federal medicaid funding in the next decade. 250,000 Washingtonians are thus in danger of losing medicaid coverage, and another 150,000 Washingtonians are at risk of losing access to the state's health care exchange. H.R. 1 would negatively impact urban health clinics and force many rural hospitals to close. 900,000 Washingtonians will lose food stamps. The state department of social and health services has noted that "H.R. 1 ends long-standing Supplemental Nutrition Assistance Program eligibility for refugees, asylees, and Afghan and Ukrainian Humanitarian Parolees." H.R. 1 will shift the cost of administering these SNAP benefits to Washington state—a cost burden of $200 million in annual expenses. H.R. 1 will eliminate financial assistance for thousands of Washingtonians pursuing higher education. It will also repeal clean energy project tax credits.

(4) Though the legislature finds that many of the austerity measures of H.R. 1 already began in 2025, the legislature also finds that it has a window of opportunity to mitigate H.R. 1 before it goes into full effect in 2027 and 2028. The legislature finds that failure to take proactive measures to fill funding gaps created by H.R. 1 before they occur will result in greater, avoidable costs to Washington state, and greater hardship endured by Washingtonians.

(5) The legislature further finds that it is the apparent intent of President Trump to remain in office after 2028, that the United States supreme court has stripped key provisions from the federal voting rights act, and that ongoing federal austerity budgeting is thus a strong potentiality.

(6) The legislature finds that H.R. 1 defunds the public sector in order to grant massive tax breaks to American corporations. H.R. 1 extends $148 billion in tax cuts to companies that comprise the S&P 500 stock market index. The richest one percent of Americans will receive an estimated $121 billion in net tax cuts in 2026 as a result of H.R. 1. T-Mobile will see a $1.5 billion tax break in 2026. Amazon's cash flow will be raised by $15 billion annually between 2025-2027. Also as a result of H.R. 1, Microsoft was permitted to deduct $69.7 billion in capital expenditures from federal tax reporting in 2025. The legislature finds that many of these tax breaks go to companies that are either headquartered in Washington state, or that have a heavy presence here.

(7) The legislature finds that windfall corporate tax benefits will accrue as Washington has one of the most corporate-friendly tax regimes of any state in the country. In chapter 421, Laws of 2025 (Engrossed Substitute Senate Bill No. 5813), the legislature found that "Washington's tax system remains the second most regressive in the nation as it asks those with the least to pay the most as a percentage of their income." In that law, the legislature affirmed "that a tax system that is fair and works for everyone is essential to help Washingtonians thrive." The legislature finds that the regressivity of Washington's tax code contributes to budgetary shortfalls of the state's own making, worsening the impact of regressive federal tax policy.

(8) The legislature finds that Washington state businesses depend upon a healthy economic climate to reap profits and create jobs. The proliferation of high-earning jobs is a strong indicator of the economic health of a large operating company that has enjoyed the many benefits of doing business in Washington state. The legislature finds that substantial federal divestment from Washington state will harm these businesses. Washington's department of social and health services estimates that for every $1.00 of supplemental nutrition assistance program spending in Washington state, $1.50 in economic activity is generated.

(9) The legislature finds that all high earners in the United States are subject to an "additional medicare tax." For married individuals filing separately, the surtax is .9 percent of wages made above the $125,000 threshold; unlike the standard medicare tax, this surtax is not divided equally between the worker and their boss. The legislature finds that if employees can bolster the social safety net, so can their employers.

(10) Therefore, the legislature intends to create the "well Washington fund account" to maintain the economic health of Washington state.

## PART II
## WELL WASHINGTON FUND ACCOUNT

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79 RCW to read as follows:

(1) The well Washington fund account is created in the state treasury. Beginning July 1, 2026, all revenues created from the high

earners payroll tax on large operating companies in section 4 of this act must be deposited into the state general fund. Beginning July 1, 2027, and for every year thereafter, 51 percent of all revenues created by said tax shall be deposited in the well Washington fund account, with the remaining 49 percent, as well as all interest and penalties provided in Title 50C RCW, deposited into the state general fund.

(2) Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for higher education, health care (especially medicaid), cash assistance programs, and energy and housing programs.

## PART III

## WELL WASHINGTON FUND OVERSIGHT AND ACCOUNTABILITY BOARD

NEW SECTION. **Sec. 3.** (1) The well Washington fund oversight and accountability board is established. The board consists of 25 members, as provided in this subsection:

(a) Ten total members of the house of representatives, comprising two members serving on each of the following committees or their successor committees, with one member from each committee belonging to one of the two major political caucuses: Appropriations, early learning and human services, health and wellness, environment and energy, and housing.

(b) Ten total members of the senate, comprising two members serving on each of the following committees or their successor committees, with one member from each committee belonging to one of the two major political caucuses: Ways and means, human services, health and long-term care, environment, energy, and technology, and higher education.

(c) The following five members, appointed by the governor with the consent of the senate, each with respective expertise on the intersection of federal and state funding in the following five areas of public policy: Higher education, health care (especially medicaid), cash assistance programs, housing, and the environment.

(2) Board members shall hold their offices for a term of three years and until their successors are appointed. The board shall have two cochairs. One of the cochairs shall be one of the gubernatorial appointees and designated by the governor, and the other cochair, selected by the house, shall be one of the house members or

appointees outlined in this section. Thirteen voting members of the board constitute a quorum for the transaction of business. The board shall meet three times per year.

(3) The purposes of the board are to:

(a) Provide guidance and recommendations to the legislature on emergent funding needs due to the actuality or potentiality of federal funding withdrawal from public sector spending silos identified in this act; and

(b) Ensure accountability that the well Washington fund account is producing the intended results with respect to reducing and mitigating the impact of federal austerity budgeting in key silos of public sector spending in Washington state.

(4) The board shall report its recommendations to the house appropriations and senate ways and means committees of the legislature, or their successor committees, by November 1st of each year.

## PART IV
## HIGH EARNERS PAYROLL TAX ON LARGE OPERATING COMPANIES

NEW SECTION. **Sec. 4.** (1)(a) Beginning July 1, 2026, a payroll expense tax on high earning jobs is levied on large operating companies engaged in business within the state of Washington as provided in this section. The payroll expense tax is the total amount of calendar year wages for each employee in employment of the employer in excess of the minimum wages subject to the additional medicare tax, as determined by treasury decision 9645 of the internal revenue service, multiplied by a rate of five percent.

(b) For purposes of this subsection:

(i) "High earning job" means a job with wages that are in excess of the minimum wages subject to the additional medicare tax, set at $125,000 by treasury decision 9645 of the internal revenue service.

(ii) "Large operating company" means a company that employs more than 20 people, maintains more than $5,000,000 in gross receipts or sales, and maintains an address in the United States.

(2)(a) Each employer must remit the tax imposed under this section to the department in a manner specified by the department.

(b) In the payment of any taxes provided in this section, a fractional part of a cent is disregarded unless it amounts to one-half cent or more, in which case it is increased to one cent.

(3) The commissioner must annually set the employee wage amount excluded from tax under this section in an amount less than the minimum wages subject to taxation for the additional medicare tax as determined by treasury decision 9645 of the internal revenue service.

(4) The tax under this section is imposed on the employer. An employer may not make any deductions from employee wages to pay for this tax.

NEW SECTION. **Sec. 5.** EXEMPTION. The payroll expense tax under section 4 of this act does not apply to any employer with total employee wages less than $7,000,000 for the prior calendar year.

NEW SECTION. **Sec. 6.** CREDIT. (1) In computing the tax due under this chapter, a credit is allowed against the tax imposed in this chapter and in accordance with this section, for any eligible city payroll expense tax paid by the employer.

(2)(a) The amount of credit is equal to the total amount of eligible city payroll expense tax remitted to the city during the immediately prior state tax reporting period. The amount of the credit may not exceed the tax that would be owed for the city payroll expense tax in effect on February 1 of each year.

(b) No employer may claim a credit under this section for reporting periods for which no tax was due to the city.

(3) The credit under this section may not exceed the tax otherwise due under this chapter for the tax reporting period. No refunds may be granted for credits under this section.

(4) The department may contract, under chapter 39.34 RCW, with any city imposing an eligible city payroll expense tax to facilitate the administration of the credit authorized in this section.

(5) For the purpose of this section, "eligible city payroll expense tax" means a tax that is measured by annual employee compensation and imposed by a city.

NEW SECTION. **Sec. 7.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commissioner" means the commissioner of the employment security department.

(2) "Department" means the employment security department.

(3) "Employee" has the same meaning as in RCW 50A.05.010.

(4) "Employer" has the same meaning as in RCW 50A.05.010.

(5) "Employment" means personal service, of whatever nature, as known to the common law or any other legal relationship performed for wages or under any contract calling for the performance of personal services, written or oral, express or implied. "Employment" includes an individual's entire service performed within or without or both within and without this state, if:

(a) The service is localized in this state; or

(b) The service is not localized in any state, but some of the service is performed in this state; and

(i) The base of operations of the employee is in this state, or if there is no base of operations, then the place from which such service is directed or controlled is in this state; or

(ii) The base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(6) "Remuneration" has the same meaning as provided in RCW 50A.05.010.

(7) "Service is localized in this state" has the same meaning as in RCW 50A.05.010.

(8) "Wages" means the remuneration paid by an employer to an employee.

NEW SECTION. **Sec. 8.** EMPLOYER REQUIREMENTS. (1) In the form and at the times specified in this chapter and by the commissioner, an employer shall make reports, furnish information, and collect and remit taxes as required by this chapter to the department. If the employer is a temporary help company that provides employees on a temporary basis to its customers, the temporary help company is the employer for purposes of this section.

(2)(a) An employer must keep at the employer's place of business a record of employment, for a period of six years, from which the information needed by the department for purposes of this chapter may be obtained. This record must at all times be open to the inspection of the commissioner.

(b) Information obtained under this chapter from employer records is confidential and not open to public inspection, other than to public employees in the performance of their official duties. However, an interested party must be supplied with information from

employer records to the extent necessary for the proper presentation of the case in question. An employer may authorize inspection of the employer's records by written consent.

(3) Before issuing a warning letter for failure to comply with requirements relating to the collection of payroll expense taxes is as provided in this chapter, the department shall enforce the collection of taxes through conference and conciliation. This requirement applies to:

(a) An employer that fails under this chapter to make the required reports, or fails to remit the full amount of taxes when due;

(b) An employer that willfully makes a false statement or misrepresentation regarding a material fact, or willfully fails to report a material fact, to avoid making the required reports or remitting the full amount of the tax when due under this chapter;

(c) A successor in the manner specified in section 11 of this act; and

(d) An officer, member, or owner having either control or supervision of payment or reporting of excess compensation taxes, or both, or who is charged with the responsibility for the filing of returns, in the manner specified in section 9 of this act.

(4) Appeals are governed by section 24 of this act.

NEW SECTION. **Sec. 9.** EMPLOYER PENALTIES. (1) An employer who willfully fails to make the required reports is subject to penalties as follows: (a) For the second occurrence, the penalty is $75; (b) for the third occurrence, the penalty is $150; and (c) for the fourth occurrence and for each occurrence thereafter, the penalty is $250.

(2) An employer who willfully fails to remit the full amount of taxes when due is liable, in addition to the full amount of taxes due and amounts assessed as interest under section 10 of this act, to a penalty equal to the tax and interest.

(3) Any moneys under this section must be deposited into the general fund of the state.

(4) For the purposes of this section, "willful" means a knowing and intentional action that is neither accidental nor the result of a bona fide dispute.

(5)(a) Beginning January 1, 2027, the department shall enforce the collection of penalties and interest pursuant to this section and

section 10 of this act for any penalties and interest accruing after the effective date of this section.

(b) The department shall enforce the collection of penalties through conference and conciliation.

(6) These penalties may be appealed as provided in this chapter.

NEW SECTION. **Sec. 10.** DELINQUENCY—ACCRUAL OF INTEREST. If taxes are not paid on the date on which they are due and payable as prescribed by the commissioner, the whole or part thereof remaining unpaid must bear interest at the rate of one percent per month or fraction thereof from and after such date until payment plus accrued interest is received by the commissioner. The date as of which payment of taxes, if mailed, is deemed to have been received may be determined by such rules as the commissioner may prescribe. Interest collected pursuant to this section must be paid into the general fund of the state. Interest may not accrue on taxes from any estate in the hands of a receiver, executor, administrator, trustee in bankruptcy, common law assignee, or other liquidating officer subsequent to the date when such receiver, executor, administrator, trustee in bankruptcy, common law assignee, or other liquidating officer qualifies as such, but taxes accruing with respect to employment of persons by any receiver, executor, administrator, trustee in bankruptcy, common law assignee, or other liquidating officer become due and draw interest in the same manner as taxes due from other employers. Where adequate information has been furnished to the department and the department has failed to act or has advised the employer of no liability or inability to decide the issue, interest may be waived.

NEW SECTION. **Sec. 11.** TERMINATION OR DISPOSAL OF BUSINESS—TAX PAYMENT—SUCCESSOR LIABILITY. Whenever any employer quits business, or sells out, exchanges, or otherwise disposes of the employer's business or stock of goods, any taxes payable under this chapter shall become immediately due and payable, and the employer shall, within 10 days, make a return and pay the taxes due; and any person who becomes a successor to such business shall become liable for the full amount of taxes and withhold from the purchase price a sum sufficient to pay any taxes due from the employer until such time as the employer produces a receipt from the employment security

department showing payment in full of any taxes due or a certificate that no tax is due and, if such taxes are not paid by the employer within 10 days from the date of such sale, exchange, or disposal, the successor shall become liable for the payment of the full amount of taxes, and the payment thereof by such successor shall, to the extent thereof, be deemed a payment upon the purchase price, and if such payment is greater in amount than the purchase price the amount of the difference shall become a debt due such successor from the employer. A successor may not be liable for any tax due from the person from whom that person has acquired a business or stock of goods if that person gives written notice to the employment security department of such acquisition and no assessment is issued by the department within 180 days of receipt of such notice against the former operator of the business and a copy thereof mailed to such successor.

NEW SECTION. **Sec. 12.** DELINQUENCY—ORDER AND NOTICE OF ASSESSMENT. At any time after the commissioner shall find that any tax, interest, or penalties have become delinquent, the commissioner may issue an order and notice of assessment specifying the amount due, which order and notice of assessment shall be served upon the delinquent employer in the manner prescribed for the service of a summons in a civil action, or using a method by which the mailing can be tracked or the delivery can be confirmed. Failure of the employer to receive such notice or order whether served or mailed shall not release the employer from any tax, or any interest or penalties thereon.

NEW SECTION. **Sec. 13.** JEOPARDIZED COLLECTION—IMMEDIATE ASSESSMENT. If the commissioner has reason to believe that an employer is insolvent or if any reason exists why the collection of any taxes accrued will be jeopardized by delaying collection, the commissioner may make an immediate assessment thereof and may proceed to enforce collection immediately, but interest and penalties shall not begin to accrue upon any taxes until the date when such taxes would normally have become delinquent.

NEW SECTION. **Sec. 14.** COLLECTION BY DISTRAINT, SEIZURE, AND SALE. If the amount of tax, interest, or penalties assessed by the commissioner by order and notice of assessment provided in this

chapter is not paid within 10 days after the service or mailing of the order and notice of assessment, the commissioner or the commissioner's duly authorized representative may collect the amount stated in said assessment by the distraint, seizure, and sale of the property, goods, chattels, and effects of said delinquent employer. There shall be exempt from distraint and sale under this section such goods and property as are exempt from execution under the laws of this state.

NEW SECTION. **Sec. 15.** COLLECTION BY DISTRAINT, SEIZURE, AND SALE——PROCEDURE. The commissioner, upon making a distraint, must seize the property and must make an inventory of the property distrained, a copy of which must be mailed to the owner of such property or personally delivered to the owner, and must specify the time and place when such property must be sold. A notice specifying the property to be sold and the time and place of sale must be posted in at least two public places in the county wherein the seizure has been made. The time of sale may be not less than 10 nor more than 20 days from the date of posting of such notices. The sale may be adjourned from time to time at the discretion of the commissioner, but not for a time to exceed in all 60 days. The sale must be conducted by the commissioner or the commissioner's authorized representative who proceeds to sell such property by parcel or by lot at a public auction, and who may set a minimum price to include the expenses of making a levy and of advertising the sale, and if the amount bid for such property at the sale is not equal to the minimum price so fixed, the commissioner or the commissioner's representative may declare such property to be purchased by the department for such minimum price. In such event the delinquent account must be credited with the amount for which the property has been sold. Property acquired by the department as prescribed in this section may be sold by the commissioner or the commissioner's representative at public or private sale, and the amount realized must be placed in the general fund of the state. In all cases of sale, as provided in this section, the commissioner must issue a bill of sale or a deed to the purchaser and such bill of sale or deed is prima facie evidence of the right of the commissioner to make such sale and conclusive evidence of the regularity of the commissioner's proceeding in making the sale, and must transfer to the purchaser all right, title, and interest of the delinquent employer in said property. The proceeds of any such sale,

except in those cases wherein the property has been acquired by the department, must be first applied by the commissioner in satisfaction of the delinquent account, and out of any sum received in excess of the amount of delinquent tax, interest, and penalties the administration fund must be reimbursed for the costs of distraint and sale. Any excess that thereafter remains in the hands of the commissioner must be refunded to the delinquent employer. Sums so refundable to a delinquent employer may be subject to seizure or distraint in the hands of the commissioner by any other taxing authority of the state or its political subdivisions.

NEW SECTION. **Sec. 16.** NOTICE AND ORDER TO WITHHOLD AND DELIVER. The commissioner may issue to any person, firm, corporation, political subdivision, or department of the state, a notice and order to withhold and deliver property of any kind whatsoever when the commissioner has reason to believe that there is in the possession of such person, firm, corporation, political subdivision, or department, property which is due, owing, or belonging to any person, firm, or corporation upon whom the department has served a notice and order of assessment for tax, interest, or penalties. The effect of a notice to withhold and deliver shall be continuous from the date such notice and order to withhold and deliver is first made until the liability is satisfied or becomes unenforceable because of a lapse of time. The notice and order to withhold and deliver shall be served by the sheriff or the sheriff's deputy of the county wherein the service is made, using a method by which the mailing can be tracked or the delivery can be confirmed, or by any duly authorized representative of the commissioner. Any person, firm, corporation, political subdivision, or department upon whom service has been made must answer the notice within 20 days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice. In the event there is in the possession of any such person, firm, corporation, political subdivision, or department, any property which may be subject to the claim of the employment security department of the state, such property shall be delivered forthwith to the commissioner or the commissioner's duly authorized representative upon demand to be held in trust by the commissioner for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability, or in the alternative, there shall be

furnished a good and sufficient bond satisfactory to the commissioner conditioned upon final determination of liability. Should any person, firm, or corporation fail to make answer to an order to withhold and deliver within the time prescribed herein, it shall be lawful for the court, after the time to answer such order has expired, to render judgment by default against such person, firm, or corporation for the full amount claimed by the commissioner in the notice to withhold and deliver, together with costs.

NEW SECTION. **Sec. 17.** WARRANT FOR ASSESSMENT. Whenever any order and notice of assessment or jeopardy assessment has become final in accordance with the provisions of this chapter the commissioner may file with the clerk of any county within the state a warrant in the amount of the notice of assessment plus interest, penalties, and a filing fee under RCW 36.18.012(10). The clerk of the county wherein the warrant is filed shall immediately designate a superior court cause number for such warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the employer mentioned in the warrant, the amount of the tax, interest, penalties, and filing fee, and the date when such warrant was filed. The aggregate amount of such warrant as docketed shall become a lien upon the title to, and interest in all real and personal property of the employer against whom the warrant is issued, the same as a judgment in a civil case duly docketed in the office of such clerk. Such warrant so docketed shall be sufficient to support the issuance of writs of execution and writs of garnishment in favor of the state in the manner provided by law in the case of civil judgment, wholly or partially unsatisfied. The clerk of the court shall be entitled to a filing fee under RCW 36.18.012(10), which shall be added to the amount of the warrant, and charged by the commissioner to the employer. A copy of the warrant shall be mailed to the employer using a method by which the mailing can be tracked or the delivery can be confirmed within five days of filing with the clerk.

NEW SECTION. **Sec. 18.** LIENS. The claim of the employment security department for any tax, interest, or penalties not paid when due, shall be a lien prior to all other liens or claims and on a parity with prior tax liens against all property and rights to property, whether real or personal, belonging to the employer. In

order to avail itself of the lien hereby created, the department shall file with any county auditor where property of the employer is located a statement and claim of lien specifying the amount of delinquent taxes, interest, and penalties claimed by the department. From the time of filing for record, the amount required to be paid shall constitute a lien upon all property and rights to property, whether real or personal, in the county, owned by the employer or acquired by him or her. The lien shall not be valid against any purchaser, holder of a security interest, mechanic's lien, or judgment lien creditor until notice thereof has been filed with the county auditor. This lien shall be separate and apart from, and in addition to, any other lien or claim created by, or provided for in, this chapter. When any such notice of lien has been so filed, the commissioner may release the same by filing a certificate of release when it shall appear that the amount of delinquent tax, interest, and penalties have been paid, or when such assurance of payment shall be made as the commissioner may deem to be adequate. Fees for filing and releasing the lien provided herein may be charged to the employer and may be collected from the employer utilizing the remedies provided in this chapter for the collection of taxes.

NEW SECTION. **Sec. 19.** LIENS—INSOLVENCY, DISSOLUTION, OR DISTRIBUTION OF ASSETS. In the event of any distribution of an employer's assets pursuant to an order of any court, including any receivership, probate, legal dissolution, or similar proceeding, or in case of any assignment for the benefit of creditors, composition, or similar proceeding, tax, interest, or penalties then or thereafter due shall be a lien upon all the assets of such employer. Said lien is prior to all other liens or claims except prior tax liens, other liens provided by this chapter, and claims for remuneration for services of not more than $250 to each claimant earned within six months of the commencement of the proceeding. The mere existence of a condition of insolvency or the institution of any judicial proceeding for legal dissolution or of any proceeding for distribution of assets shall cause such a lien to attach without action on behalf of the commissioner or the state. In the event of an employer's adjudication in bankruptcy, judicially confirmed extension proposal, or composition, under the federal bankruptcy act of 1898, as amended, tax, interest, or penalties then or thereafter due shall be entitled to such priority as provided in that act, as amended.

NEW SECTION. **Sec. 20.** CIVIL ACTIONS—SERVICE OF PROCESS. (1) If after due notice, any employer defaults in any payment of tax, interest, or penalties, the amount due may be collected by civil action in the name of the state, and the employer adjudged in default shall pay the cost of such action. Any lien created by this chapter may be foreclosed by decree of the court in any such action. Civil actions brought under this chapter to collect tax, interest, or penalties from an employer shall be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil actions except petitions for judicial review under this chapter, cases arising under the unemployment compensation laws of this state, and cases arising under the industrial insurance laws of this state.

(2) Any employer that is not a resident of this state and that exercises the privilege of having one or more individuals perform service for it within this state, and any resident employer that exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any action under this chapter. In instituting such an action against any such employer the commissioner shall cause such process or notice to be filed with the secretary of state and such service shall be sufficient service upon such employer, and shall be of the same force and validity as if served upon it personally within this state if the commissioner shall forthwith send notice of the service of such process or notice, together with a copy thereof, by registered mail, return receipt requested, to such employer at its last known address and such return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service shall be appended to the original of the process filed in the court in which such action is pending.

NEW SECTION. **Sec. 21.** INJUNCTION FROM CONTINUING IN BUSINESS. Any employer who is delinquent in the payment of tax, interest, or penalties may be enjoined upon the suit of the state of Washington from continuing in business in this state or employing persons herein until the delinquent tax, interest, and penalties have been paid, or until the employer has furnished a good and sufficient bond in a sum equal to double the amount of tax, interest, and penalties already delinquent, plus such further sum as the court deems adequate to

protect the department in the collection of tax, interest, and penalties which will become due from such employer during the next ensuing calendar year, said bond to be conditioned upon payment of all tax, interest, and penalties due and owing within 30 days after the expiration of the next ensuing calendar year or at such earlier date as the court may fix. Action under this section may be instituted in the superior court of any county of the state wherein the employer resides, has its principal place of business, or where it has anyone performing services for it, whether or not such services constitute employment.

NEW SECTION. **Sec. 22.** COMPROMISE OF CLAIMS. The commissioner may compromise any claim for tax, interest, or penalties due and owing from an employer where collection of the full amount due and owing, whether reduced to judgment or otherwise, would be against equity and good conscience. Whenever a compromise is made by the commissioner in the case of a claim for tax, interest, or penalties, whether reduced to judgment or otherwise, there shall be placed on file in the department a statement of the amount of tax, interest, and penalties imposed by law and claimed due, attorneys' fees and costs, if any, a complete record of the compromise agreement, and the amount actually paid in accordance with the terms of the compromise agreement. If any such compromise is accepted by the commissioner, within such time as may be stated in the compromise or agreed to, such compromise shall be final and conclusive and except upon showing of fraud or malfeasance or misrepresentation of a material fact the case shall not be reopened as to the matters agreed upon. In any suit, action, or proceeding, such agreement or any determination, collection, payment, adjustment, refund, or credit made in accordance therewith shall not be annulled, modified, set aside, or disregarded.

NEW SECTION. **Sec. 23.** UNCOLLECTIBLE ACCOUNTS. The commissioner may charge off as uncollectible and no longer an asset of the general fund of the state, any delinquent tax, interest, penalties, or credits if the commissioner is satisfied that there are no cost-effective means of collecting the tax, interest, or penalties.

NEW SECTION. **Sec. 24.** GENERALLY. (1) Any aggrieved party may file an appeal from any determination or redetermination with the commissioner within 30 days after the date of notification or

mailing, whichever is earlier, of such determination or redetermination to the party's last known address. If an appeal with respect to any determination is pending as of the date when a redetermination is issued, such appeal, unless withdrawn, shall be treated as an appeal from such redetermination.

(2) Upon receipt of a notice of appeal, the commissioner shall request the assignment of an administrative law judge under chapter 34.12 RCW to conduct a hearing in accordance with chapter 34.05 RCW and issue a proposed order.

NEW SECTION. **Sec. 25.** ASSESSMENTS. (1) When an order and notice of assessment has been served upon or mailed to a delinquent employer, the employer may within 30 days file an appeal with the department, stating that the assessment is unjust or incorrect and requesting a hearing. The appeal must set forth the reasons why the assessment is objected to and the amount of tax, if any, which the employer admits to be due. If no appeal is filed, the assessment shall be conclusively deemed to be just and correct except that in such case, and in cases where payment of tax, interest, or penalties has been made pursuant to a jeopardy assessment, the commissioner may properly entertain a subsequent application for refund. The filing of an appeal on a disputed assessment with the administrative law judge stays the distraint and sale proceeding provided for in this chapter until a final decision has been made, but the filing of an appeal shall not affect the right of the commissioner to perfect a lien, as provided by this chapter, upon the property of the employer. The filing of a petition on a disputed assessment stays the accrual of interest and penalties on the disputed taxes until a final decision is made.

(2) Within 30 days after notice of denial of refund or adjustment has been mailed or delivered, whichever is the earlier, to an employer, the employer may file an appeal with the department for a hearing unless assessments have been appealed from and have become final. The employer shall set forth the reasons why such hearing should be granted and the amount which the employer believes should be adjusted or refunded. If no appeal is filed within said 30 days, the determination of the commissioner as stated in the notice shall be final.

NEW SECTION. **Sec. 26.** WHEN DEEMED FILED AND RECEIVED. The appeal or petition from a determination, redetermination, order and notice of assessment, appeals decision, or commissioner's decision is deemed filed and received if properly addressed and with sufficient postage:

(1) If transmitted through the United States mail, on the date shown by the United States postal service cancellation mark;

(2) If mailed but not received by the addressee, or where received and the United States postal service cancellation mark is illegible, erroneous, or omitted, on the date it was mailed, if the sender establishes by competent evidence that the appeal or petition was deposited in the United States mail on or before the date due for filing; or

(3) In the case of a metered cancellation mark by the sender and a United States postal service cancellation mark on the same envelope or other wrapper, the latter shall control.

NEW SECTION. **Sec. 27.** ASSESSMENTS—PROCEDURE. In any proceeding before an administrative law judge involving an appeal from a disputed order and notice of assessment or a disputed denial of refund or adjustment, the administrative law judge, after affording the parties a reasonable opportunity for hearing, shall affirm, modify, or set aside the notice of assessment or denial of refund. The parties shall be duly notified of such decision together with the reasons, which shall be deemed to be the final decision unless within 30 days after the date of notification or mailing, whichever is the earlier, of such decision, further appeal is perfected pursuant to the provisions of this chapter relating to review by the commissioner.

NEW SECTION. **Sec. 28.** HEARING PROCEDURES. The manner in which any dispute is presented to the administrative law judge, and the conduct of hearings and appeals, shall be in accordance with rules adopted by the commissioner. A full and complete record shall be kept of all administrative law judge proceedings. All testimony at any appeal hearing shall be recorded, but need not be transcribed unless further appeal is taken.

NEW SECTION. **Sec. 29.** COMMISSIONER REVIEW—INITIATION. Within 30 days from the date of notification or mailing, whichever is the

earlier, of any decision of an administrative law judge, the commissioner on the commissioner's own order may, or upon petition of any interested party shall, take jurisdiction of the proceedings for the purpose of review. Appeal from any decision of an administrative law judge may be perfected so as to prevent finality of such decision if, within 30 days from the date of notification or mailing of the decision, whichever is the earlier, a petition in writing for review by the commissioner is received by the commissioner or by such representative of the commissioner as the commissioner by rule shall prescribe. The commissioner may also prevent finality of any decision of an administrative law judge and take jurisdiction of the proceedings for the commissioner's review by entering an order so providing on the commissioner's own motion and mailing a copy thereof to the interested parties within the same period allowed for receipt of a petition for review. The time limit provided for the commissioner's assumption of jurisdiction on the commissioner's own motion for review shall be deemed to be jurisdictional.

NEW SECTION. **Sec. 30.** COMMISSIONER REVIEW—PROCEDURE. After having acquired jurisdiction for review, the commissioner shall review the proceedings in question. Prior to rendering a decision, the commissioner may order the taking of additional evidence by an administrative law judge to be made a part of the record in the case. Upon the basis of evidence submitted to the administrative law judge and such additional evidence as the commissioner may order to be taken, the commissioner shall render a decision in writing affirming, modifying, or setting aside the decision of the administrative law judge. Alternatively, the commissioner may order further proceedings to be held before the administrative law judge, upon completion of which the administrative law judge shall issue a new decision in writing affirming, modifying, or setting aside the previous decision of the administrative law judge. The new decision of the administrative law judge may be appealed as provided under section 29 of this act. The commissioner shall mail the decision of the commissioner to the interested parties at their last known addresses.

NEW SECTION. **Sec. 31.** COMMISSIONER REVIEW—WHEN FINAL—COMMISSIONER AS PARTY. Any decision of the commissioner involving a review of an administrative law judge decision, in the absence of a petition as provided in chapter 34.05 RCW, becomes final 30 days

after notification or mailing, whichever is earlier. The commissioner shall be deemed to be a party to any judicial action involving any such decision and shall be represented in any such judicial action by the attorney general.

NEW SECTION. **Sec. 32.** APPLICABILITY OF FINDINGS, DETERMINATIONS, ETC., TO OTHER ACTIONS. Any finding, determination, conclusion, declaration, or final order made by the commissioner, or the commissioner's representative or delegate, or by an appeal tribunal, administrative law judge, reviewing officer, or other agent of the department for the purposes of this chapter, shall not be conclusive, nor binding, nor admissible as evidence in any separate action outside the scope of this chapter between an employee and the employee's present or prior employer before an arbitrator, court, or judge of this state or the United States, regardless of whether the prior action was between the same or related parties or involved the same facts or was reviewed pursuant to section 35 of this act.

NEW SECTION. **Sec. 33.** WAIVER OF TIME LIMITATIONS. For good cause shown the administrative law judge or the commissioner may waive the time limitations for administrative appeals or petitions set forth in this chapter.

NEW SECTION. **Sec. 34.** JUDICIAL REVIEW. (1) In all court proceedings under or pursuant to this chapter the decision of the commissioner shall be prima facie correct, and the burden of proof shall be upon the party challenging the decision.

(2) If the court determines that the commissioner has acted within the commissioner's power and has correctly construed the law, the decision of the commissioner shall be confirmed; otherwise, the decision shall be reversed or modified. In case of a modification or reversal the superior court shall refer the decision to the commissioner with an order directing the commissioner to proceed in accordance with the findings of the court.

(3) Whenever any order and notice of assessment shall have become final in accordance with the provisions of this chapter, the court shall upon application of the commissioner enter a judgment in the amount provided for in the order and notice of assessment, and the judgment shall have and be given the same effect as if entered pursuant to a civil action instituted in the court.

NEW SECTION. **Sec. 35.** JUDICIAL REVIEW—PROCEDURE. Judicial review of a decision of the commissioner involving the review of a decision of an administrative law judge under this chapter may be had only in accordance with the procedural requirements of RCW 34.05.452.

NEW SECTION. **Sec. 36.** REMEDIES EXCLUSIVE. The remedies provided in this chapter for determining the justness or correctness of assessments, refunds, adjustments, or claims shall be exclusive and no court shall entertain any action to enjoin an assessment or require a refund or adjustment except in accordance with the provisions of this chapter. Matters which may be determined by the procedures set out in this chapter shall not be the subject of any declaratory judgment.

NEW SECTION. **Sec. 37.** DEPOSITING FUNDS. (1) Until July 1, 2027, all tax, interest, and penalties collected under this chapter must be deposited in the general fund of the state.

(2) Beginning July 1, 2027, 51 percent of all taxes collected under this chapter must be deposited in the well Washington fund account; and the remaining 49 percent, as well as all interest and penalties collected under this chapter, must be deposited in the general fund of the state.

NEW SECTION. **Sec. 38.** PROCUREMENT EXEMPTION. The department is exempt from the requirements of chapter 39.26 RCW until October 1, 2026, for purposes of implementing Title 50C RCW (the new title created in section 42 of this act).

NEW SECTION. **Sec. 39.** RULE MAKING. The department may adopt rules as necessary to implement this title.

NEW SECTION. **Sec. 40.** SHORT TITLE. This act may be known and cited as the well Washington fund act.

NEW SECTION. **Sec. 41.** SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 42.** CODIFICATION. Sections 1 and 3 through 40 of this act constitute a new chapter in a new title to be codified as Title 50C RCW.

NEW SECTION. **Sec. 43.** NECESSITY OF ACT. This act is necessary for the support of the state government and its existing public institutions.

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