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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

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

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

NEW SECTION. **Sec.**  The legislature recognizes that investment in rural higher education is essential for rebuilding rural economies. The legislature finds that it is essential that Washington residents in rural counties have the opportunity to prosper with well-compensated and productive jobs in these rural counties with pathways for these jobs enabled by public investments in higher education. The legislature recognizes that students in rural Washington are subject to a unique combination of barriers to postsecondary education, including geographic, racial/ethnic, and income barriers. The legislature also recognizes the importance of postsecondary institutions as centers of educational excellence, workforce development, and economic development. The legislature finds that Washington state has several successful programs that help Washington students train for Washington jobs, including the Washington college grant, the guided pathways initiative at the community and technical colleges, and degree and apprenticeship programs in high demand fields, such as computer science, engineering, and nursing. The legislature further finds that providing additional resources for workforce investments is a critical component to encourage economic development in rural Washington. Therefore, the legislature intends to create a rural college promise program, that will expand on the existing workforce education investment act to enable rural students to earn credentials essential to obtaining well-compensated jobs and encourage economic development, thereby rebuilding rural economies in Washington state.

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

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

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

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

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

(3)(a) "Gift aid" means financial aid received from the federal Pell grant, the state need grant program under chapter 28B.92 RCW, the college bound scholarship program under chapter 28B.118 RCW, the opportunity grant program under chapter 28B.50 RCW, the opportunity scholarship program under chapter 28B.145 RCW, and any other state grant or scholarship program that provides funds for educational purposes with no obligation of repayment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1)(a) Beginning with business activities occurring on or after January 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of tax payable by the person on business activities taxed under RCW 82.04.290(2), before application of any tax credits, multiplied by the rate of twenty percent.

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

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

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

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

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

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

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

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

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

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

(h) Supplying information, such as news reports, articles, pictures, and features, to the news media. This industry comprises establishments primarily engaged in providing library or archive services. These establishments are engaged in maintaining collections of documents and facilitating the use of these documents as required to meet the informational, research, educational, or recreational needs of their user. These establishments may also acquire, research, store, preserve, and generally make accessible to the public historical documents, photographs, maps, audio material, audiovisual material, and other archival material of historical interest. All or portions of these collections may be accessible electronically. This industry comprises establishments engaged in: (i) Publishing and broadcasting content on the internet exclusively; or (ii) operating web sites that use a search engine to generate and maintain extensive databases of internet addresses and content in an easily searchable format, known as web search portals. The publishing and broadcasting establishments in this industry do not provide traditional versions of the content they publish or broadcast. They provide textual, audio, or video content of general or specific interest on the internet exclusively. Establishments known as web search portals often provide additional internet services, such as email, connections to other web sites, auctions, news, and other limited content, and serve as a home base for internet users. This industry comprises establishments primarily engaged in providing other information services, except news syndicates, libraries, archives, internet publishing and broadcasting, and web search portals;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ll) Serving as offices of chief executives and their advisory committees and commissions. This industry includes offices of the president, governors, and mayors, in addition to executive advisory commissions. This industry comprises government establishments serving as legislative bodies and their advisory committees and commissions. Included in this industry are legislative bodies, such as congress, state legislatures, and advisory and study legislative commissions. This industry comprises government establishments primarily engaged in public finance, taxation, and monetary policy. Included are financial administration activities, such as monetary policy, tax administration and collection, custody and disbursement of funds, debt and investment administration, auditing activities, and government employee retirement trust fund administration. This industry comprises government establishments serving as councils and boards of commissioners or supervisors and such bodies where the chief executive is a member of the legislative body itself. This industry comprises American Indian and Alaska Native governing bodies. Establishments in this industry perform legislative, judicial, and administrative functions for their American Indian and Alaska Native lands. Included in this industry are American Indian and Alaska Native councils, courts, and law enforcement bodies. This industry comprises government establishments primarily engaged in providing general support for government. Such support services include personnel services, election boards, and other general government support establishments that are not classified elsewhere in public administration;

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

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

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

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

(qq) Providing ambulatory health care services.

(3)(a)(i) For the purposes of this section, a person is primarily engaged within this state in any combination of the activities described in subsection (2) of this section if more than fifty percent of the person's cumulative gross amount reportable under this chapter during the entire current or immediately preceding calendar year was generated from engaging in any one or more of the activities described in subsection (2) of this section. For purposes of this subsection, "gross amount reportable" means the total value of products, gross proceeds of sales, and gross income of the business, reportable to the department before application of any tax deductions.

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

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

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

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

(ii) For an affiliated group that has worldwide gross revenue of more than one hundred billion dollars during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), before application of any tax credits, multiplied by the rate of sixty-six and two-thirds percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the rural college promise program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the county road administration board emergency loan account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the educator conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, the public employees' and retirees' insurance account, the school employees' insurance account, the long-term services and supports trust account, the radiation perpetual maintenance fund, the Indian health improvement reinvestment account, and the library operations account.

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

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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

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

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

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

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

**--- END ---**