
HOUSE BILL 1517

State of Washington

69th Legislature

2025 Regular Session

By Representatives Gregerson and Ryu

1 AN ACT Relating to providing a revenue stream to fund digital
2 equity programs; amending RCW 82.32.145; adding a new section to
3 chapter 82.08 RCW; adding a new section to chapter 28A.650 RCW;
4 adding a new chapter to Title 82 RCW; creating a new section;
5 prescribing penalties; providing an effective date; providing an
6 expiration date; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** INTENT. The legislature finds that the
9 Washington state digital equity plan documents the findings in this
10 section.

11 The legislature finds that many Washingtonians do not have access
12 to adequate and affordable internet or internet-connected devices,
13 making them unable to participate fully online. The legislature finds
14 that connectivity to the internet enables residents to access school,
15 work, job training, elder care and connections, faith programs,
16 health care, farming resources, civic participation, and much more.
17 The legislature finds that this digital inequity affects communities
18 all over the state, including frontier, rural, urban, and suburban
19 areas, and tribal lands.

20 The legislature reaffirms the findings in section 102, chapter
21 265, Laws of 2022, which state: "Access to the internet is essential

1 to participating in modern day society including, but not limited to,
2 attending school and work, accessing health care, paying for basic
3 services, connecting with family and friends, civic participation,
4 and economic survival."

5 The legislature recognizes that state agencies need funding to
6 adapt their programs to include digital access and adoption. The
7 legislature further finds that there is a need to fund community-
8 based organizations and build public-private partnerships to reach
9 customers who qualify for subsidies and digital skill building.

10 The legislature recognizes that barriers to digital equity stem
11 from a range of systemic barriers that prevent certain populations
12 from accessing and benefiting from digital technologies, including:
13 Infrastructure gaps, broadband access, digital literacy, access to
14 devices, transportation and housing, or personal challenges like
15 limited English proficiency, disabilities, age, or social-economic
16 position. These systemic and personal barriers should not limit
17 access and opportunities to participate in our digital society.

18 The legislature recognizes that the aging population, projected
19 to reach 27 percent by 2040, faces significant digital connectivity
20 challenges, with 41 percent of those over 65 not using the internet
21 and 53 percent lacking broadband access. Reliable internet is
22 essential for older adults to access telehealth services and maintain
23 their independence, underscoring the critical role of digital
24 connectivity in their health and wellness.

25 The legislature recognizes that Washington is home to
26 approximately 530,000 veterans, 62,000 active-duty military
27 personnel, 18,000 national guard and reserve members, and 2,000,000
28 family members. Veterans without internet access are generally older,
29 unmarried, have lower educational attainment, and earn less than
30 those with access. Reliable internet is crucial for these individuals
31 to access health care, benefits, and other essential resources.

32 The legislature recognizes that approximately 26.5 percent of
33 Washington residents live in rural areas, facing challenges such as
34 limited health care, education, and job opportunities, along with
35 inadequate infrastructure. Addressing digital inequities in these
36 areas requires investment in broadband infrastructure, internet
37 affordability, and digital skills training.

38 The legislature recognizes that low literacy rates, affecting
39 16.1 percent of the population, and language barriers further
40 complicate digital inclusion, particularly for the 1,130,000

1 residents born outside the United States, of whom 42 percent have
2 limited English proficiency. Even among the nearly 560,000
3 naturalized citizens, 35 percent reported limited English
4 proficiency, highlighting the need for accessible digital resources.

5 The legislature recognizes that approximately 10 percent of
6 Washington residents lived below the poverty line in 2020, with
7 notable disparities among children and Hispanic and Latinx
8 communities. High-speed internet access is critical for low-income
9 households to access educational programs, job opportunities, and
10 financial assistance, thus promoting social and economic equity.

11 The legislature recognizes the need to support Washington's
12 statewide cybersecurity strategy to protect data and privacy of
13 individuals sharing one or more of the following characteristics:
14 Individuals who live in covered households, individuals aged 60 and
15 over, incarcerated individuals, other than individuals who are
16 incarcerated in a federal correctional facility, veterans,
17 individuals with disabilities, individuals belonging to a racial and
18 ethnic minority, individuals living in rural areas, individuals with
19 a language barrier, children and youth in foster care, and
20 individuals experiencing housing instability.

21 The legislature recognizes the need to leverage existing
22 workforce programs and expand community partnerships that provide
23 increased knowledge and skills enabling populations to participate in
24 changing workforce opportunities.

25 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
26 section apply throughout this chapter unless the context clearly
27 requires otherwise.

28 (1) "Buyer" has the same meaning as in RCW 82.08.010.

29 (2) (a) "Retail sale" has the same meaning as in RCW 82.04.050.

30 (b) "Retail sale" also means the transfer of a smart wireless
31 device to a buyer that is partially or fully discounted by the seller
32 in exchange for the buyer purchasing other products or services
33 furnished in connection with the smart wireless device.

34 (3) "Seller" has the same meaning as in RCW 82.08.010.

35 (4) (a) "Selling price" has the same meaning as in RCW 82.08.010.

36 (b) "Selling price" also means:

37 (i) In the case of a smart wireless device that is sold to the
38 buyer under conditions where the selling price does not represent the
39 true value of the smart wireless device and is sold together with

1 other products or services for one nonitemized price, the retail
2 selling price of the same product or similar products of like quality
3 and character, sold in an arm's length transaction; and

4 (ii) In the case of installment sales of a smart wireless device,
5 the total aggregate consideration to be paid by the buyer to the
6 seller for the smart wireless device.

7 (5) "Smart wireless device" means any type of instrument, device,
8 machine, or equipment that is capable of wireless access to the
9 internet. This includes, but is not limited to, internet of things,
10 smart phones, laptop computers, tablets, wearable devices, smart
11 speakers, gaming consoles, smart gyms, smart appliances, and smart
12 televisions.

13 NEW SECTION. **Sec. 3.** WIRELESS DEVICE TAX. (1) There is levied
14 and collected a tax on each retail sale in this state of a smart
15 wireless device. The amount of the tax is \$2 for a device with a
16 selling price of more than \$250.

17 (2) The revenue collected under this section must be deposited in
18 the state digital equity account created in RCW 80.36.710.

19 NEW SECTION. **Sec. 4.** PAYMENT OF TAX. (1) The tax imposed in
20 this chapter must be paid by the buyer to the seller. Each seller
21 must collect from the buyer the full amount of the tax payable with
22 respect to each taxable sale.

23 (2) The tax required by this chapter, to be collected by the
24 seller, is held in trust by the seller until paid to the department.
25 Any seller who appropriates or converts the tax collected to the
26 seller's own use or to any use other than the payment of the tax to
27 the extent that the money required to be collected is not available
28 for payment on the due date as prescribed in this chapter is guilty
29 of a gross misdemeanor.

30 (3) If any seller fails to collect the tax imposed in this
31 chapter or, having collected the tax, fails to pay it to the
32 department in the manner prescribed by this chapter, whether such
33 failure is the result of the seller's own acts or the result of acts
34 or conditions beyond the seller's control, the seller is,
35 nevertheless, personally liable to the state for the amount of the
36 tax.

1 (4) The tax required by this chapter to be collected by the
2 seller must be stated separately from the selling price in any sales
3 invoice or other instrument of sale.

4 NEW SECTION. **Sec. 5.** ADMINISTRATION. Chapter 82.32 RCW applies
5 to the administration of this chapter.

6 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.08
7 RCW to read as follows:

8 QUARTERLY TRANSFER. The state treasurer shall transfer 30 percent
9 of the revenues collected pursuant to the tax imposed in section 3 of
10 this act each quarter to the learning device and technology account
11 created in section 8 of this act.

12 **Sec. 7.** RCW 82.32.145 and 2020 c 301 s 6 are each amended to
13 read as follows:

14 (1) Whenever the department has issued a warrant under RCW
15 82.32.210 for the collection of unpaid trust fund taxes from a
16 limited liability business entity and that business entity has been
17 terminated, dissolved, or abandoned, or is insolvent, the department
18 may pursue collection of the entity's unpaid trust fund taxes,
19 including penalties and interest on those taxes, against any or all
20 of the responsible individuals. For purposes of this subsection,
21 "insolvent" means the condition that results when the sum of the
22 entity's debts exceeds the fair market value of its assets. The
23 department may presume that an entity is insolvent if the entity
24 refuses to disclose to the department the nature of its assets and
25 liabilities.

26 (2) Personal liability under this section may be imposed for
27 state and local trust fund taxes.

28 (3)(a) For a responsible individual who is the current or a
29 former chief executive or chief financial officer, liability under
30 this section applies regardless of fault or whether the individual
31 was or should have been aware of the unpaid trust fund tax liability
32 of the limited liability business entity.

33 (b) For any other responsible individual, liability under this
34 section applies only if he or she willfully fails to pay or to cause
35 to be paid to the department the trust fund taxes due from the
36 limited liability business entity.

1 (4) (a) Except as provided in this subsection (4) (a), a
2 responsible individual who is the current or a former chief executive
3 or chief financial officer is liable under this section only for
4 trust fund tax liability accrued during the period that he or she was
5 the chief executive or chief financial officer. However, if the
6 responsible individual had the responsibility or duty to remit
7 payment of the limited liability business entity's trust fund taxes
8 to the department during any period of time that the person was not
9 the chief executive or chief financial officer, that individual is
10 also liable for trust fund tax liability that became due during the
11 period that he or she had the duty to remit payment of the limited
12 liability business entity's taxes to the department but was not the
13 chief executive or chief financial officer.

14 (b) All other responsible individuals are liable under this
15 section only for trust fund tax liability that became due during the
16 period he or she had the responsibility or duty to remit payment of
17 the limited liability business entity's taxes to the department.

18 (5) Persons described in subsection (3) (b) of this section are
19 exempt from liability under this section in situations where
20 nonpayment of the limited liability business entity's trust fund
21 taxes is due to reasons beyond their control as determined by the
22 department by rule.

23 (6) Any person having been issued a notice of assessment under
24 this section is entitled to the appeal procedures under RCW
25 82.32.160, 82.32.170, 82.32.180, 82.32.190, and 82.32.200.

26 (7) This section does not relieve the limited liability business
27 entity of its trust fund tax liability or otherwise impair other tax
28 collection remedies afforded by law.

29 (8) Collection authority and procedures prescribed in this
30 chapter apply to collections under this section.

31 (9) The definitions in this subsection apply throughout this
32 section unless the context clearly requires otherwise.

33 (a) "Chief executive" means: The president of a corporation; or
34 for other entities or organizations other than corporations or if the
35 corporation does not have a president as one of its officers, the
36 highest ranking executive manager or administrator in charge of the
37 management of the company or organization.

38 (b) "Chief financial officer" means: The treasurer of a
39 corporation; or for entities or organizations other than corporations
40 or if a corporation does not have a treasurer as one of its officers,

1 the highest senior manager who is responsible for overseeing the
2 financial activities of the entire company or organization.

3 (c) "Limited liability business entity" means a type of business
4 entity that generally shields its owners from personal liability for
5 the debts, obligations, and liabilities of the entity, or a business
6 entity that is managed or owned in whole or in part by an entity that
7 generally shields its owners from personal liability for the debts,
8 obligations, and liabilities of the entity. Limited liability
9 business entities include corporations, limited liability companies,
10 limited liability partnerships, trusts, general partnerships and
11 joint ventures in which one or more of the partners or parties are
12 also limited liability business entities, and limited partnerships in
13 which one or more of the general partners are also limited liability
14 business entities.

15 (d) "Manager" has the same meaning as in RCW 25.15.006.

16 (e) "Member" has the same meaning as in RCW 25.15.006, except
17 that the term only includes members of member-managed limited
18 liability companies.

19 (f) "Officer" means any officer or assistant officer of a
20 corporation, including the president, vice president, secretary, and
21 treasurer.

22 (g)(i) "Responsible individual" includes any current or former
23 officer, manager, member, partner, or trustee of a limited liability
24 business entity with an unpaid tax warrant issued by the department.

25 (ii) "Responsible individual" also includes any current or former
26 employee or other individual, but only if the individual had the
27 responsibility or duty to remit payment of the limited liability
28 business entity's unpaid trust fund tax liability reflected in a tax
29 warrant issued by the department.

30 (iii) Whenever any taxpayer has one or more limited liability
31 business entities as a member, manager, or partner, "responsible
32 individual" also includes any current and former officers, members,
33 or managers of the limited liability business entity or entities or
34 of any other limited liability business entity involved directly in
35 the management of the taxpayer. For purposes of this subsection
36 (9)(g)(iii), "taxpayer" means a limited liability business entity
37 with an unpaid tax warrant issued against it by the department.

38 (h) "Trust fund taxes" means taxes collected from purchasers and
39 held in trust under RCW 82.08.050, including taxes imposed under RCW
40 82.08.020, 82.08.150, ~~((and))~~ 82.51.010, and section 3 of this act.

1 (i) "Willfully fails to pay or to cause to be paid" means that
2 the failure was the result of an intentional, conscious, and
3 voluntary course of action.

4 NEW SECTION. **Sec. 8.** A new section is added to chapter 28A.650
5 RCW to read as follows:

6 NEW ACCOUNT. The learning device and technology account is
7 created in the state treasury. Revenues to the account consist of
8 revenues collected pursuant to section 3 of this act and transferred
9 pursuant to section 6 of this act and appropriations and grants.
10 Expenditures from the account must be used for the purposes of this
11 chapter and RCW 43.330.412. Moneys in the account may be spent only
12 after appropriation.

13 NEW SECTION. **Sec. 9.** JOINT LEGISLATIVE AUDIT AND REVIEW
14 COMMITTEE. (1) By June 1, 2030, the joint legislative audit and
15 review committee must perform a study and review the effectiveness of
16 the increased funding provided pursuant to this chapter to the
17 various digital equity programs, including but not limited to the
18 digital equity opportunity program created in RCW 43.330.412, the
19 digital equity plan created in RCW 43.330.539, and the digital equity
20 planning grant program established in RCW 43.330.5393. The study must
21 include:

22 (a) A review of the broad digital equity supports, including the
23 number of devices distributed, amount spent on devices, the amount
24 spent on software, the number of technology support full-time
25 equivalents, the amount spent on technology support full-time
26 equivalents, and the number of classes offered;

27 (b) A review of the office of the superintendent of public
28 instruction digital equity programs, including the number of student
29 devices, the number of instructional devices, the number of
30 technology support full-time equivalents, the amount spent on student
31 devices, the amount spent on instructional devices, the amount spent
32 on technology full-time equivalents, the district's federal reduced-
33 price lunch program participation percentage;

34 (c) A review of the state board for community and technical
35 colleges digital equity program, including credit and noncredit
36 classes related to adult basic education digital skills, the cost to
37 the colleges to provide digital skills instruction, the amount spent
38 on technology support full-time equivalents, the amount spent by

1 colleges on parking lot Wi-Fi, the amount spent by colleges on device
2 lending, the costs associated with maintaining devices and services,
3 the amount of device and software lending for students with
4 disabilities, and the department of corrections and state board for
5 community and technical college student devices and software
6 purchases for incarcerated, or formerly incarcerated, individuals;

7 (d) A review of the digital equity plan created in RCW 43.330.539
8 and the department of commerce's digital navigator program, including
9 the effectiveness in achieving the strategies and objectives to
10 reduce the digital divide in Washington, assessment on the inclusion
11 of the 39 state counties and more than 29 federally recognized
12 tribes, coordination with the federal broadband equity, access, and
13 deployment program and digital equity actions, and outcomes in
14 aligning success with the driving factors behind current state
15 efforts and investments to maximize positive outcomes for
16 Washingtonians. This includes state efforts driven by the governor's
17 five priority goals and the legislature, in addition to regional,
18 local, and tribal near-term and long-term objectives; and

19 (e) A review of Washington state agencies roles and actions in:
20 Programs, investments, policy, grants, integration of digital
21 inclusion programs into agency service delivery systems, agency's
22 community engagements in overcoming digital equity challenges, and
23 ensuring that all residents have the opportunity to participate fully
24 in the digital world.

25 (2) This section expires January 1, 2032.

26 NEW SECTION. **Sec. 10.** Sections 2 through 5 and 9 of this act
27 constitute a new chapter in Title 82 RCW.

28 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of
30 the state government and its existing public institutions, and takes
31 effect June 1, 2025.

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