
SENATE BILL 6218

State of Washington

69th Legislature

2026 Regular Session

By Senators Dhingra, Frame, Alvarado, Bateman, Cortes, Lias, Nobles, Stanford, Trudeau, Valdez, and Wellman

Read first time 01/19/26. Referred to Committee on Ways & Means.

1 AN ACT Relating to directing the withholding of state payments to
2 the federal government if federal funding is withheld due to the
3 existence of a valid Washington state law; adding a new section to
4 chapter 43.08 RCW; adding a new section to chapter 82.01 RCW; adding
5 a new section to chapter 43.79 RCW; creating a new section; and
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.08
9 RCW to read as follows:

10 (1) Within 60 days of the effective date of this section, the
11 treasurer shall submit a report to the fiscal committees of the
12 legislature detailing:

13 (a) Any federal funds owed to the state that have not been paid
14 to the state by the federal government due to the existence of a
15 Washington state law, the exercise of which has not been invalidated
16 by a court of competent jurisdiction;

17 (b) Any federal funds owed to the state, where the federal
18 government's nonpayment of those funds is in contravention of a court
19 decision; and

20 (c) Any funds the treasurer projects will be due to be paid by
21 the state to the federal government during the succeeding 12 months

1 including, but not limited to, federal taxes owed by the state as an
2 employer, federal employment taxes withheld by the state on behalf of
3 the federal government, offsets for federal debts, backup withholding
4 of federal taxes, and federal grant repayments.

5 (2) The treasurer shall update this report monthly. Both the
6 initial report under subsection (1) of this section and monthly
7 updates shall be published on the treasurer's website.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.01
9 RCW to read as follows:

10 (1) If any report required in section 1 of this act indicates
11 there are federal funds owed to the state including but not limited
12 to federal funds that have been withheld due to the existence of a
13 valid Washington state law, the exercise of which has not been
14 invalidated by a court of competent jurisdiction, or federal funds
15 that have been withheld in contravention of a court decision, the
16 director of the office of financial management shall, in consultation
17 with the state treasurer, direct affected agencies to withhold
18 payments to the federal government in the amount of federal funds
19 withheld from the state as described in the treasurer's report.

20 (2) In directing the withholding of payments under this section,
21 the director of the office of financial management, in consultation
22 with the state treasurer, shall:

23 (a) First direct the agency or agencies from which federal
24 funding has been withheld due to federal government action to
25 withhold payments to the federal government to prioritize a direct
26 connection with state action. If payments from the agency or agencies
27 directly affected by federal government withholding are insufficient
28 to match the amount of federal funding withheld from the state, the
29 director shall direct other state agencies to withhold payments to
30 the federal government;

31 (b) Where applicable, direct the affected agency or agencies to
32 first withhold payments to the federal government attributable to
33 senior leadership or management staff before withholding payments to
34 the federal government attributable to other employees.

35 (3) (a) The director of the office of financial management, in
36 consultation with the state treasurer, shall direct affected agencies
37 to place payments withheld from the federal government in the
38 RECOURSE act escrow account created in section 3 of this act where
39 federal funds have been withheld from the state by the federal

1 government due to the existence of a Washington state law and either
2 the federal government or state have sought adjudication of the state
3 law's constitutionality, but a court of competent jurisdiction has
4 not issued a ruling on the state's ability to exercise the law.

5 (b) Funds shall be expended from the RECOURSE act escrow account
6 pursuant to the procedures established in section 3 of this act.

7 (4) Funds held pursuant to this section and not placed in the
8 RECOURSE act escrow account created in section 3 of this act shall be
9 made available for appropriation as state funds. However, such
10 appropriations shall not exceed the amount of federal funds withheld
11 from the state as described in the treasurer's report in section 1 of
12 this act.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.79
14 RCW to read as follows:

15 (1) The RECOURSE act escrow account is created in the custody of
16 the state treasurer. All payments to the federal government which are
17 withheld under section 2(3) of this act must be deposited into the
18 account. Only the director of the office of financial management or
19 the director's designee may authorize expenditures from the account.
20 Expenditures from the account may be used only as follows:

21 (a) If a court of competent jurisdiction issues a ruling, either
22 not subject to appeal or where the deadline for an appeal has lapsed,
23 that the state may, either in part or in full, exercise a law or laws
24 that served as the basis for the federal government to withhold
25 funding owed to the state, the amount of federal payments withheld
26 shall be transmitted to the federal government upon receipt of
27 federal funds previously withheld from the state.

28 (b) If a court of competent jurisdiction issues a ruling, either
29 not subject to appeal or where the deadline for an appeal has lapsed,
30 that the state may not exercise a law or laws that served as the
31 basis for the federal government to withhold funding owed to the
32 state, the amount of federal payments withheld shall be transmitted
33 to the federal government as soon as possible after either entry of
34 final judgment or lapsing of the appeal deadline.

35 (2) The account is not subject to allotment procedures under
36 chapter 43.88 RCW.

37 (3) An appropriation is not required for expenditures from the
38 account.

1 NEW SECTION. **Sec. 4.** This act may be known and cited as the
2 reciprocal enforcement of claims on unpaid or reduced state
3 entitlements act or RECOURSE act.

4 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of
6 the state government and its existing public institutions, and takes
7 effect immediately.

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