



WASHINGTON STATE  
2021 LEGISLATIVE UPDATE

*Senator Mike Padden  
4th Legislative District*



# A session like none other...

## 2021 Legislative Year



**A session like none other...**

**The majority locked its agenda in  
by locking the public out!**



# 2021 – A session like none other... Capitol Lockdown

- At the start of session, **state troopers** were ordered to Olympia from across the state, joined by **750 National Guardsmen**, and a **fence** was erected around the state Capitol, shutting out the public.
- We were told it was a temporary security measure, yet the fence remained all session - even though there was no violence.
- **After nearly four months** of repeated calls from Republicans and members of the public for removal of the fence, it was finally taken down May 4, more than a week after our session ended.



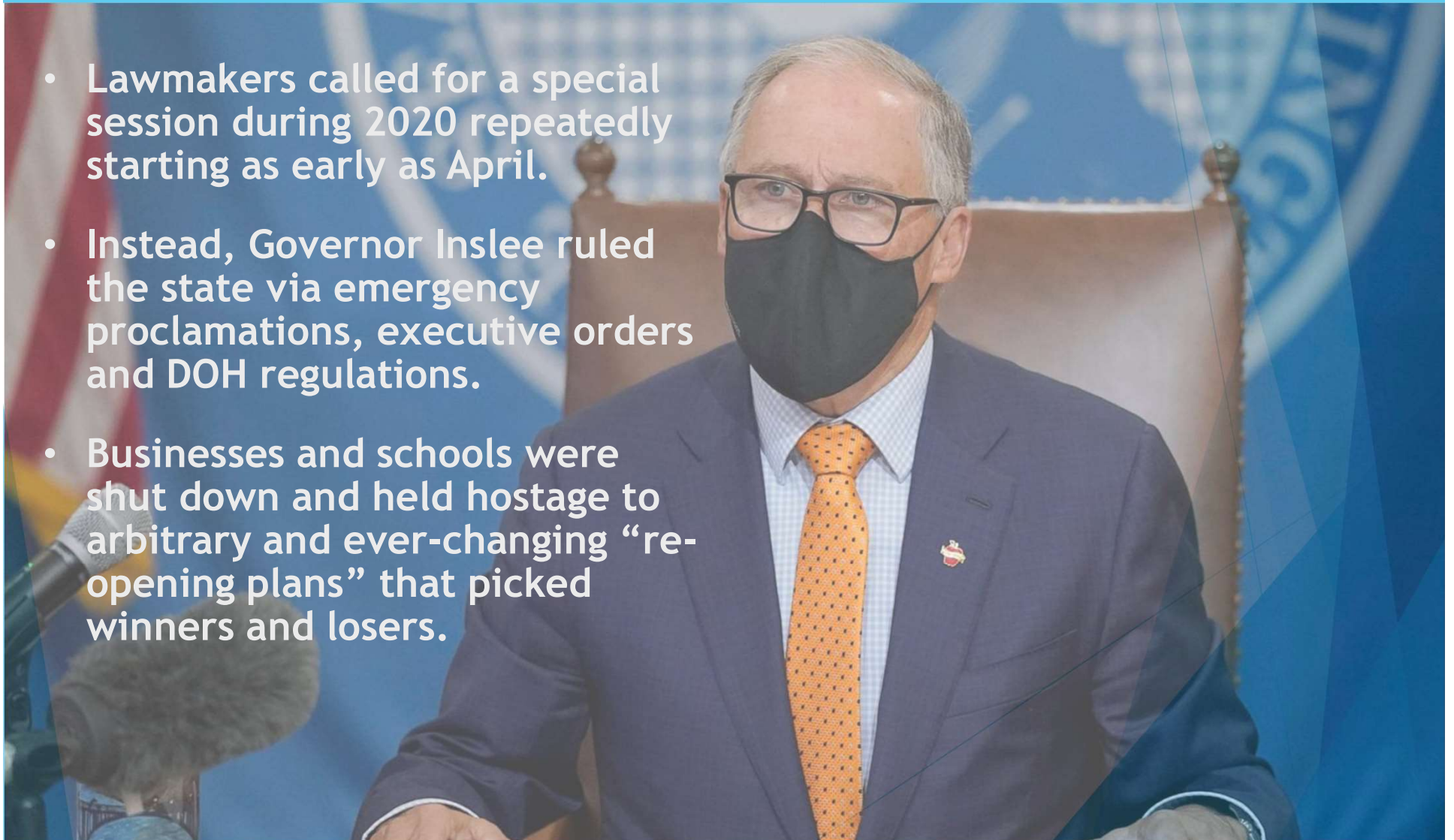
# 2021 – A session like none other... Remote Session



- Debates and voting were conducted remotely, with few in-person staff and senators. The same was true of committee hearings and work sessions.
- The people were banned from the Rotunda, a traditional public forum, and the galleries that allow for viewing of debates and voting.
- Face-to-face meetings were replaced with “zooms” or “teams,” and remote-only testimony.

# 2021 – A session like none other... Emergency Power

- Lawmakers called for a special session during 2020 repeatedly starting as early as April.
- Instead, Governor Inslee ruled the state via emergency proclamations, executive orders and DOH regulations.
- Businesses and schools were shut down and held hostage to arbitrary and ever-changing “re-opening plans” that picked winners and losers.



# 2021 – A session like none other... Emergency Power

- Gov. Inslee declared a statewide emergency on Feb. 29, 2020. He has NEVER ended it.
- Inslee violated the constitution by restricting religious activities.
- Violent prisoners were released early, while small business owners were shut down, fined and punished.
- The governor failed to ensure proper oversight of the Unemployment Insurance system. Scammers fleeced the system, and delays in support checks forced families to struggle.
- Inslee chose unilaterally how to spend \$3 billion in federal COVID relief funds.



- The Majority shirked the Legislature's duty to be a 'check' on executive power when it approved SCR 8402 on day 3 of the 2021 session, extending the governor's proclamations indefinitely.

# 2021 – A session like none other... Radical, partisan one-party rule in Olympia

## DOUBLE SHOOTING INSIDE OF CHAZ / CHOP SEATTLE!



One-party control in Olympia got worse this year, with moderate Democrats replaced by some of the most radical and partisan voices on their side. The majority party came to Olympia determined to implement an aggressively liberal agenda.

## It's Seattle's state now in politics, and everybody else is living in it

April 28, 2021 at 6:00 am | Updated April 28, 2021 at 5:20 pm

By Danny Westneat  
Seattle Times columnist

"We all live in Seattle now."

That was one conservative state legislative session in Olympia. Ericksen, R-Ferndale – that's what she has finally, after years of trying to

"The most radical Legislature in the state is determined to live like Seattle, and everybody else is living in it."





A man in a dark suit and white shirt is shown from the chest up, smiling broadly with his arms raised in a celebratory gesture. He is surrounded by a large amount of falling US dollar bills, which are scattered all around him, creating a sense of abundance and success. The background is a light, neutral color, and the overall scene is overlaid with a semi-transparent blue and black graphic design.

# Dollars & Sense...

Budgeting in the  
2021 Legislative Year

# Dollars & Sense... Minority offers alternative budget

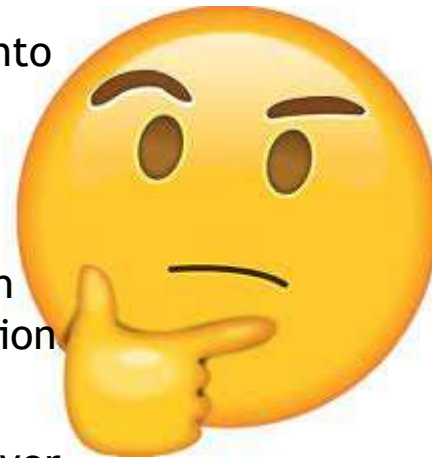
Early in the session Republicans stepped forward with a 2021-23 budget proposal aimed at restarting our economy and helping families.

- Would have reduced the tax burden on working families by as much as \$1,000 annually, starting with a Working Families Tax Credit of up to \$700 per year.
- Reduce state property tax by exempting first \$250,000 of residence-assessed valuation.
- \$333 million in additional assistance for small employers.
- \$200 million to expand broadband access.
- **Eliminated the B&O tax on manufacturing;**
- Avoid gas-tax hike by gradually shifting tax revenue from vehicle sales for use on transportation projects;
- Full funding for forest-health plan to reduce wildfires
- Full funding for extending the DUI look-back.



# Dollars & Sense... Additional revenue

- One of the **most baffling things in this session was the majority's insistence on raising and creating taxes.**
- Despite predictions to the contrary, we continued to see additional revenue come into the state.
- In the **largest positive quarterly change on record**, the state's March revenue forecast increased projections by \$3.3 billion through the upcoming 2021-23 biennia, and \$5.2 billion over the four-year outlook time frame.
- Put simply, since the budget must balance over four years, **legislative budget writers had \$5 billion more available in state funds than what was forecast in November.**



# Dollars & Sense... Additional revenue



## Forecast of funds subject to the budget outlook process\* by fiscal year



Revenue Review  
March 17, 2021

Slide 26

\*Funds subject to the budget outlook process are General Fund-State plus Education Legacy Trust, Washington Opportunities Pathway and Workforce Education Investment Accounts  
Source: ERFC forecast, March 2021

**WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL**

# Dollars & Sense... Even more money!

## Nearly \$15 billion more in federal dollars pour in...

- On top of the March forecast, the federal government put an additional \$1.9 trillion on our children and grandchildren's credit card with the signing of a massive COVID-19 relief and stimulus bill.
- **Washington received nearly \$15 billion more under the plan.**
- Conservatives argued that the money should be used prudently for
  1. COVID needs, including state programs designed to assist with vaccinations and other medical needs.
  2. One-time expenses such as an investment in transportation projects to avoid a gas-tax hike.
  3. Investing in people, not government, by supporting school choice and reduction of camping and park fees.
  4. Closing one-time funding gaps in state programs for those with mental illness and developmental disabilities.



# Dollars & Sense... Massive Democrat budget proposal included new taxes and no tax relief

2021 Senate Budget Comparison		
ITEM	DEMOCRATIC PROPOSAL	REPUBLICAN PROPOSAL
Budget Size	\$59.5 billion	\$55.5 billion
Change from last budget	\$7 billion increase	\$3 billion increase
Ending Savings Balance	\$1 billion	\$3 billion
Expends Rainy Day Fund	Yes	No
Fully Funds Government	Yes	Yes
Cuts to Services	No	No
Tax Increases	Yes - Assumes Capital Gain Income Tax - Assumes Low Carbon Fuel Standard - Assumes Cap and Trade	No
Tax Relief	No	Yes - Reduces property tax by exempting first \$250k of a home value - Eliminates manufacturing B&O tax
Funds the Working Families Tax Credit	Yes	Yes
Unemployment Assistance	\$500 million	\$1 billion

# Dollars & Sense... New taxes? Didn't they just do that? (Hint: Yes)

## 2019 SESSION TAX INCREASES

Tax	Bill	2-year	4-year	10-year	Effective Date
Payroll	HB 1087	-	\$2,090	\$8,930	July 27, 2019
Property Tax	SB 5313	\$1,422	\$2,976	\$8,661	July 27, 2019
B&O Services/Workforce	HB 2158	\$380	\$945	\$3,009	July 27, 2019
Graduated REET	SB 5998	\$244	\$598	\$1,884	January 1, 2020
Banks	HB 2167	\$133	\$339	\$1,089	July 27, 2019
MTCA	SB 5993	\$165	\$361	\$1,075	July 1, 2019
Intl. Investment Svc.	SB 6016	\$59	\$125	\$368	July 1, 2019
Non-Residents	SB 5997	\$54	\$113	\$327	July 1, 2019
Travel Agents	SB 6004	\$5	\$11	\$32	July 1, 2019
<b>TOTAL</b>		<b>\$2,462</b>	<b>\$7,558</b>	<b>\$25,375</b>	

Dollars in Millions

# Dollars & Sense... Massive Democrat budget proposal included new taxes and no tax relief

## Capital Gains Income Tax

- Establishing a capital gains income tax immediately hurts competitive ranking for economic development.
- Capital gains is a tax on income.
- A capital gains tax hurts the economy, and the timing is terrible.
- Capital gains taxes are volatile and unpredictable.
- A capital gains tax is not tax reform.
- 7% is just the start. Who is next and at what price?
- Income tax proposals have been rejected 10 times by Washington voters.



# Dollars & Sense... Massive Democrat budget proposal included new taxes and no tax relief

## Cell Phone Tax

- Washington wireless consumers already pay 29 percent of their bills in government taxes and fees, which ranks third-highest in this country. This new tax likely will change that ranking to second nationally. **This is not a category where we want to be ranked so high.**
- Will impose a tax on radio access lines, Voice Over Internet Protocol (VOIP) service lines, and switched access lines to fund activities related to an enhanced crisis response. This could have been funded with existing revenue instead.
- The “cell phone tax” created by HB 1477 calls for a 30-cent tax per month per phone line through December 2022, and a 50-cent tax per line thereafter.

# Dollars & Sense... Final Operating Budget

- **The Good: Funded Some SRC Budget Priorities**

- Forest Health, Dev. Disabled, Behavioral Health, UI Relief

- **The Bad: Represents Huge Missed Opportunity**

- In lieu of making govt spending the priority, could have eliminated B&O tax on manufacturing, dedicated sales tax on cars to transportation, and provided historic homeowner property tax relief

- **The Ugly: Income Tax, Need Say More?**

- Capital gains income tax passed with hope Supreme Court overturns almost 90 years of precedent, paving way to impose full-fledged graduated income tax

# Dollars & Sense... Final Operating Budget

- Thwarted Voters' Right to Reject Income Tax Via Referendum - Unconscionable
- Washington Voters Have Rejected a Graduated State Income Tax 10 Times

# Dollars & Sense... Final Operating Budget

- Actual goal of referenda prohibition?
- Prevent ballot measure until Nov. 2022, by which time hope is Supreme Court will have weighed in & overturned constitutional precedent, paving way to full-fledged income tax

# Costly new energy taxes



# Costly new energy taxes – Cap & Tax

- For years, Governor Inslee’s Cap and Tax carbon scheme has been a favorite of the left in Olympia. It is one of the most regressive tax proposals in state history -- hitting families the hardest in areas like home heating and cooling costs, while many industries would be exempt from the tax.
- Starting in 2023, businesses producing more than 25,000 metric tons of carbon per year will be required to purchase “allowances” for emissions at auctions arranged by the Department of Ecology.
- Cap and Tax (Senate Bill 5126) will raise gas and diesel prices sharply. The new law could cause fuel prices to rise by as much as \$0.75 per gallon, based on a recent report - with none of that going to roads.
- The regressive Cap-and-Tax will not only make people pay more for gas to get to good-paying jobs, it also makes every item they need to provide for their families - from groceries to clothing - more expensive.

# Costly new energy taxes – High-Cost Fuel Standard

- Another proposal adopted is a Low-Carbon Fuels Standard (HB 1091), which is more accurately known as a high-cost fuel standard.
- The plan requires refiners to reduce carbon emissions by-the-gallon by about 20 percent.
- About 80 to 90 percent of the reduction would come by **forcing motorists to subsidize unrelated carbon-reduction programs.**
- It is expected that the policy will **increase the cost of fuel dramatically - by about 57 cents a gallon (gasoline) and 63 cents a gallon (diesel)**
- A similar program in California has resulted in electricity costs increasing (+40%) and gasoline (+\$1.00) - well above the U.S. average, and oil and natural gas are still easily the state's leading sources of energy.
- This hidden gas tax would be hugely regressive, **forcing enormous costs onto working families and those of low and fixed incomes.**



# Historic support for broadband in capital budget

- In the waning days of the session, a bipartisan capital budget for 2021-23 was approved by a vote of 49-0 in the Senate and 98-0 in the House. It includes a historic \$413 million investment in broadband internet access around our state and nearly \$1 billion for K-12 and early education, with significant funding for small schools and early learning centers.
- The capital budget's funding for broadband includes:
  - \$326 million for the State Broadband Office;
  - \$60 million to the Public Works Board specifically for broadband;
  - \$25 million to the Community Economic Revitalization Board (CERB);
  - \$2 million for the Department of Natural Resources for broadband-related projects.



# Area projects funded in approved capital budget

The Approved capital budget plan for 2021-23 includes almost \$17 million for projects in the 4th District, including:

- Apprenticeship Center in Spokane, \$3.36 million;
- Spokane Fish Hatchery, \$2.8 million for repairs and expansion;
- Spokane County Library District, \$2 million;
- Doris Morrison Learning Center, \$1.03 million;
- Spokane Valley Boys and Girls Club, \$1.63 million;
- Fairgrounds Exhibition Center, \$750,000;
- Felts Field Gateway Project, \$400,000;
  - Matched by Spokane Airport Board
- Liberty Lake Regional Park Phase 1 and water access, \$906,000;
- Flora Road River Trail Property, \$1 million; and
- Mt. Spokane Ski Chairlift repairs, \$750,000.



# Legislation in the 2021 Session...



## Legislation in the 2021 Session...

# Majority set its sights on law enforcement

- Removing tools from police
- Reducing punishment for criminals
- Surrender on the war on drugs
- Missed opportunity on repeat DUI offenders

A photograph of a protest with a 'DEFUND POLICE' sign. The image is overlaid with a blue geometric graphic on the right side. The background shows a crowd of people, some with raised fists, and a large sign that reads 'DEFUND POLICE' in white and yellow letters. The scene is outdoors, possibly in a public square or plaza, with buildings and trees visible in the background.

DEFUND  
POLICE

# Legislation in the 2021 Session... Policing

- HB 1054 prohibits neck restraints, prevents police from obtaining certain military equipment, and restricts vehicle pursuits. It also requires police officers to get approval from the highest elected official in their jurisdiction before using tear gas to quell riots.
- HB 1267 creates the Office of Independent Investigation, in the Governor's office, to investigate police incidents such as lethal force and sexual assaults. The use of force would only be justifiable to prevent death or harm to others. This law also modifies when the use of lethal force is justifiable.
- SB 5051 expands background check requirements for peace officers, expands the conduct for which a peace officer may have their certification revoked, and modifies reporting requirements.

# Legislation in the 2021 Session... Policing

- Members of law enforcement are guardians of society.
- Many of the police-reform bills passed this session are bad for public safety.
- We can't strip officers of the tools they need to protect our communities.
- The more tools taken away:
  - the harder it will be to bring criminals to justice;
  - the less safe it will be to take violators into custody; and
  - the more people will be injured
- Our state needs to focus on real solutions that will bridge the gap of the already-fragile relationship between police officers and the communities they serve... not widen it.



# Legislation in the 2021 Session... Felon Voting

**ESHB 1078 restores voter eligibility for all convicted felons before they have completed their sentences**

- Prison, community custody, and restitution are all part of their sentence for crimes committed against victims and society.
- Until sentence is completed, the debt to society has not been paid.



# Legislation in the 2021 Session...

## State v. Blake

- State v. Blake: Washington State Supreme Court determined the statute prohibiting simple possession was unconstitutional.
- SB 5471 (Padden): Would have made it illegal for any person to create, deliver or **knowingly possess** a 'counterfeit substance'
- SB 5475 (Mullet): Concerning knowing possession of a controlled substance, making it a Class C felony.
- SB 5476 (Dhingra): Decriminalizes the first two possessions of hard drugs such as heroin and meth. Makes subsequent offenses a misdemeanor compared to the previous penalty of a felony.
  - This bill, which passed the Senate 26-23, was signed by the governor



# Legislation in the 2021 Session...

## State v. Blake – Decriminalizing possession

**The majority waited too long – nearly the end of session -- to address the fallout of the Supreme Court decision in State v. Blake, which had come out Feb. 25 – almost two months earlier.**

**Addicts usually don't get help, or aren't successful in treatment, if they don't hit rock bottom.**

**For many, rock bottom is getting arrested for the possession of hard drugs and being processed through the justice system.**

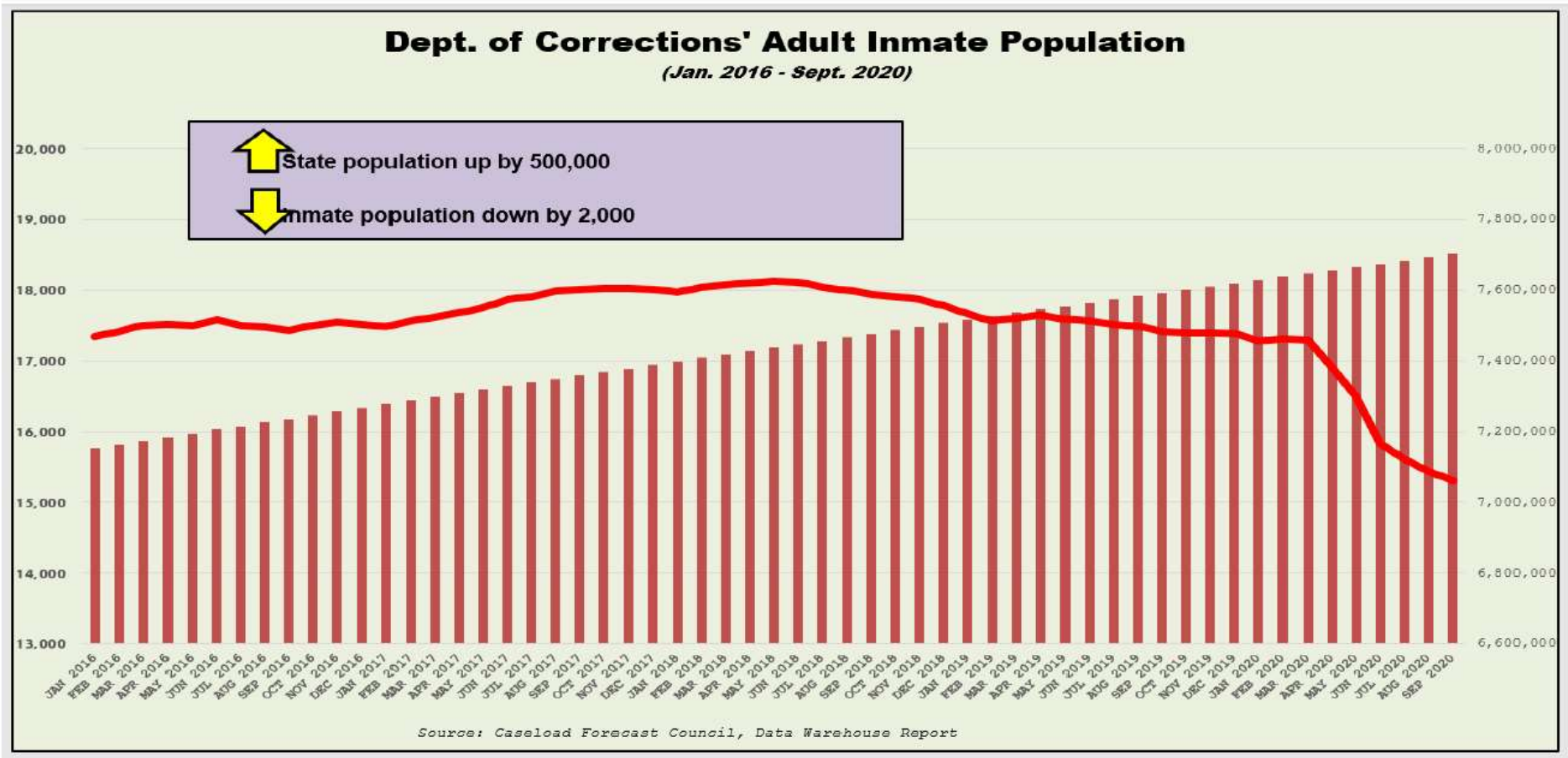
**This new law pulls the rug out from under this process and those addicts who need help.**



# Legislation in the 2021 Session...

## Declining prison population

### DOC early release



# Legislation in the 2021 Session...

## House fails to deal with repeat DUI offenders

- This year, the Senate voted 41-7 to approve Senate Bill 5054, my measure aimed at strengthening the state's felony-DUI law.
- The bill would have extended the “look-back” in DUI cases, allowing courts to consider convictions over the previous 15 years during sentencing, instead of the previous 10 years, as the law now allows.
- We know repeat offenders pose the greatest danger on our roads and highways. Even during the pandemic, when traffic is down 10 percent or more, impaired driving is up substantially. So, the need for this legislation is stronger than ever. Yet the House, once again, failed to act.



# Transportation

- Local projects continue
  - Barker to Harvard Project
  - North-South Corridor
- Greater Spokane Valley Chamber member Kelly Fukai confirmed to Transportation Commission
- Dedicating revenue from vehicle sales tax to transportation fund
  - Cosponsored Senate Bill 5223
  - Also included in Republican budget
  - A logical solution to funding our highways
  - Proposals rejected by majority party

# Legislation in the 2021 Session...

## Reducing barriers to condo construction

- **Engrossed Substitute Senate Bill 5024**, which cleared both the House and Senate unanimously after **years of legislative work**, is aimed at increasing the supply of affordable housing by removing barriers to condominium construction.
- This new law will not only reduce the cost of inspections by allowing them to be conducted by any qualified architect, but it will also make some additional financing options available for construction of these units.
- The measure received the support of numerous cities, builders, and affordable housing advocates, including the City of Spokane Valley, the Building Industry Association of Washington, Washington State Board of Realtors, Greenstone Homes, City of SeaTac, City of Spokane, and the Washington Multi-Family Housing Association.
- The law created by my bill will go into effect on July 25.

# Legislation in the 2021 Session...

## New law to accommodate the hearing-impaired



# Legislation in the 2021 Session...

## New law to accommodate the hearing-impaired

- **Senate Bill 5027 is about addressing an important issue for the more than 20% of Washingtonians who suffer from some level of hearing loss.**
- Under the new law, a “place of public accommodation,” such as a restaurant or sports bar, would need to show closed captioning on at least one of its televisions.
- Failing to do so would be considered a violation of the state anti-discrimination law, but violators would be given 30 days to take corrective measures without any penalties.
- This measure is primarily about education. Our business owners want to do the right thing and will do so when properly informed.



# Legislation in the 2021 Session...

## Restoring critical free-speech protections

- Substitute Senate Bill 5009 addresses an important free-speech concern created by the 2015 state Supreme Court ruling in *Davis v. Cox*, which struck down the state's anti-SLAPP law.
- A SLAPP, or Strategic Lawsuit Against Public Participation, is a lawsuit brought primarily in order to chill lawful public debate, discussion or investigation.
- SSB 5009 will reinstate the state's anti-SLAPP law, permitting a special motion in court for expedited relief against legal claims over public expression and allowing a court to award costs, litigation expenses, and reasonable attorneys' fees for prevailing parties.



**Our courts are meant to be used as a shield to protect our liberties and ensure justice, not as a sword to attack those exercising their fundamental First Amendment rights**



# Missed Opportunity-Nurse Compact Legislation



# Addressing the nursing shortage

- **Nurses should be able to move freely around the country, so they can help where they are needed most.**
- **Senate Bill 5247 would have made Washington part of the Nurse Licensure Compact, which allows licensed nurses to practice in each of 34 participating states.**
- **The bill would not force nurses into multistate licenses, but simply give them the option.**
- **After failing to move the bill, the Senate Health and Long-Term Care Committee did hold a work session about the issue on April 14**
- **It was informative and should be helpful in showing state lawmakers how Washington can help solve nursing shortages.**

# Life issues... the good and the bad

## Assisted-suicide bill fails to advance!

- Advocates for life were able to defeat a proposal to alter current law to allow non-physicians to determine eligibility for and write lethal prescriptions for terminally ill patients with a six-month prognosis.
- House Bill 1141 would have shortened the waiting period to receive lethal drugs from 15 days to 72 hours and eliminate it when life expectancy is less than 72 hours. In addition, it would have allowed the deadly drugs to be sent in the mail, drastically increasing the chances of them falling into the wrong hands.
- During a pandemic, when isolation and anxiety have led to a devastating increase in the mental-and behavioral-health crises people are already experiencing, we should be addressing those mental-health needs, not making it easier for people to take their own lives.



# Life issues... the good and the bad

## State mandates abortion coverage in student health plans

A bill that would require Washington state colleges and universities to cover abortions in student health plans was signed into law.

It's just another attempt to force insurance providers to cover abortions regardless of the religious, social or other objections of institutions and individuals.

HB 1009 violates the religious liberty of Washingtonians and, along with another law passed two years ago called the Reproductive Parity Act, are about as far away from being pro-choice as any mandate could be.





Because freedom  
matters...

# The Senate Freedom Caucus



## **Members:**

- Doug Ericksen of Ferndale
- Phil Fortunato of Auburn
- Jim McCune of Graham
- Mike Padden of Spokane Valley
- Jeff Wilson of Longview

## **Mission:**

The State Freedom Caucus is focused squarely on one thing: freedom. We are united around the principles of life, liberty and prosperity. The need for a coalition focused on protecting our liberties has never been stronger.

*Senator Mike Padden*

*4<sup>th</sup> Legislative District*



## STAY IN TOUCH!

If you have a question or concern about state government, please do not hesitate to contact our office. We are here to serve you!

### **District Office**

408 N Mullan Road

Suite #106

Spokane Valley, WA 99206

(509) 921-2460

### **Olympia Office**

106 Irv Newhouse Building,  
Capitol Campus

Olympia, WA 98504

(360) 786-7606

Email: [Mike.Padden@leg.wa.gov](mailto:Mike.Padden@leg.wa.gov)