

# Legislative Action on Recent JLARC Reports

## Performance audits

Legislation already passed that has implemented recommendations		
Report	Recommendation	Legislation
<a href="#"><u>First Responder Mapping System in K-12 Schools (2020)</u></a>	<b>Building mapping system</b> Addresses issue raised in K-12 mapping study report by taking a different approach and <b>repealing mapping system</b> statute.	<a href="#"><u>SHB 1484 (2021)</u></a>
<a href="#"><u>Alternative Public Works Contracting Procedures Sunset Review (2020)</u></a>	<b>Alternative public works contracting</b> Bill implements recommendation and <b>extends program</b> , with sunset review in 2030.	<a href="#"><u>SB 5032 (2021)</u></a>
<a href="#"><u>Employment and Community Inclusion Services for People with Developmental Disabilities (2019)</u></a>	<b>Concurrent services</b> Addresses recommendation by allowing clients to <b>enroll in community access services</b> at the same time as <b>employment services</b> .	<a href="#"><u>SHB 1980 (2021)</u></a>
<a href="#"><u>Joint Center for Aerospace Technology Innovation Sunset Review (2019)</u></a>	<b>Aerospace technology innovation</b> Implements recommendation by <b>extending authorization of JCATI</b> , and includes a sunset clause in 2030.	<a href="#"><u>2SSB 6139 (2020)</u></a>
<a href="#"><u>Performance Measurement of Homelessness Programs (2019)</u></a>	<b>Housing funds/quality award</b> Addresses underlying issue related to recommendation by <b>removing WSQA application requirement</b> .	<a href="#"><u>SB 6229 (2020)</u></a>
<a href="#"><u>Fees Assessed for Forest Fire Protection (2017)</u></a>	<b>Protected lands/fire levies</b> Addresses recommendation to allow local governments to annex properties that are not paying local fire district levy.	<a href="#"><u>SSB 5010 (2019)</u></a>
<a href="#"><u>Unaccompanied Homeless Youth (2017)</u></a>	<b>Minors/homeless information system</b> <b>Allows unaccompanied youth to give consent</b> for their <b>information to be included</b> in the Washington homeless client management information system.	<a href="#"><u>HB 1630 (2018)</u></a>

## Legislative Action on Recent JLARC Reports

Bills introduced during 2021-22 sessions to implement recommendations to Legislature or emphasize recommendation to agency that did not pass		
Report	Recommendation	Legislation
<a href="#"><u>Review of Health Care Authority's Budget Structure (2021)</u></a>	OFM should lead the medical assistance forecast work group in <b>developing a charter</b> that specifies its purposes, structure, and decision-making protocols.	<a href="#"><u>SB 5620</u></a> Medicaid expenditures.
<a href="#"><u>Impact Fee Deferral Programs (2021)</u></a>	The Legislature should (1) <b>consider whether liens are a necessary</b> tool to ensure that deferred fees are paid and (2) either <b>repeal Commerce's data collection</b> or <b>identify</b> which measures Commerce should collect that would be <b>helpful for evaluating program</b> use.	<a href="#"><u>HB 1714</u></a> Concerning impact fee deferrals.

Recommendations to Legislature that have not been implemented to date or had bill introduced		
Report	Recommendation	Legislation
<a href="#"><u>Sunset Review of Medicaid Fraud Qui Tam Provisions (2022)</u></a>	Legislature should <b>reauthorize</b> the qui tam provisions in the Medicaid Fraud False Claims Act and <b>make them permanent</b> because the process meets legislative intent and maximizes recoveries for the state.	None proposed to date
<a href="#"><u>Unemployment Insurance Training Benefits Program (2022)</u></a>	Because the Training Benefits Program is <b>not meeting the Legislature's stated objective</b> to enhance participants' earning power, the Legislature should consider <b>eliminating or modifying the program</b> .	None proposed to date

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Recommendations to Legislature that have not been implemented to date or had bill introduced		
Report	Recommendation	Legislation
<a href="#"><u>Regulation of Ambulatory Surgical Facilities (2021)</u></a>	<p>The Legislature should amend statute to permit DOH to collect ASF license fees annually.</p> <ul style="list-style-type: none"> <li>• <b>Annual fee collections</b> could help to <b>stabilize the program's revenues</b> and potentially reach its <b>reserve fund balance goals</b>.</li> <li>• Annual fee collection would provide revenue stability to the program. It would also accelerate the impact of changes to licensing fees, <b>allowing DOH to respond more quickly</b> to program and cost changes. ASFs may prefer smaller annual licensing payments to larger, more infrequent payments.</li> </ul>	None proposed to date
<a href="#"><u>Medicaid Reimbursement Under CARES Programs (2020)</u></a>	<p>Because the Health Care Authority's current approach to Medicaid reimbursement for CARES is <b>unlikely to yield cost savings</b>, the Legislature should consider <b>repealing or revising the statutory direction</b> for reimbursement.</p> <ul style="list-style-type: none"> <li>• If cost savings to the state are the only consideration, the Legislature should repeal the CARES reimbursement standards. However, there may be other factors to consider, such as providing funding to local fire departments.</li> <li>• If the Legislature wants to increase the likelihood for cost savings to the state, it could direct HCA to create standards that do not overlap with other programs to provide more incentive for fire department participation and emergency room avoidance.</li> </ul>	None proposed to date
<a href="#"><u>Measuring Outcomes of Land Acquisitions &amp; Regulations (2018)</u></a>	<p>If the Legislature wants reliable <b>information about the outcomes of regulatory programs</b> implemented at the local level, it should consider requiring state agencies to work with local governments to develop <b>outcome-focused performance measures</b>.</p>	None proposed to date

## Legislative Action on Recent JLARC Reports

### Tax Preferences

Legislation already passed that has implemented recommendations		
Tax Preference Review	Recommendation	Legislation
<a href="#"><u>Health Benefit Exchange (2021)</u></a>	<b>Health benefit ex./B&amp;O tax</b> Bill implements recommendation from health benefit exchange tax preference review by eliminating expiration date or preference.	<a href="#"><u>HB 1765 (2021)</u></a>
<a href="#"><u>Credit for Renewable Energy Program Payments (2021)</u></a>	<b>Community solar projects</b> Partially implements the recommendation from community solar projects tax report, by amending and extending community solar incentives until 2038.	<a href="#"><u>2SHB 1814 (2021)</u></a>
<a href="#"><u>Customized Training (2020)</u></a>	<b>Employment training program</b> Although the Legislative Auditor recommended terminating the preference because it was not meeting the stated objective of attracting and retaining new businesses in Washington, legislation extended the preference to 2026, but <b>clarifies the intent to aid existing small businesses.</b>	<a href="#"><u>2SHB 1033 (2021)</u></a>
<a href="#"><u>Targeted Urban Area Exemption (2021)</u></a>	<b>Industrial/manufacturing facilities</b> Implements recommendations that will allow beneficiaries to claim the preference.	<a href="#"><u>EHB 1386 (2021)</u></a>
<a href="#"><u>Property Tax Exemption for Multifamily Housing in Urban Areas (2020)</u></a>	<b>Affordable housing incentives</b> Although legislation does not implement recommendation for cities to include profitability analysis as a consideration in offering or approving exemptions, <b>it does address the issue of cities' compliance with reporting.</b>	<a href="#"><u>E2SSB 5287 (2021)</u></a>
<a href="#"><u>Farmworker Housing (2020)</u></a>	<b>Farmworker housing/tax</b> Implements recommendation to align with other housing requirements.	<a href="#"><u>2SSB 5396 (2021)</u></a>
<a href="#"><u>Modifying Large Private Airplanes Owned by Nonresidents (2019)</u></a>	<b>Concerning sales and use tax exemptions for large private airplanes.</b> <b>Extends</b> the sales and use tax <b>exemption</b> for the modification of large private airplanes owned by nonresidents until July 1, 2031.	<a href="#"><u>HB 2236 (2020)</u></a>

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Tax Preference Review	Recommendation	Legislation
<a href="#"><u>Aerospace Tax Preferences (2019)</u></a>	<b>Concerning aerospace business and occupation taxes</b> Establishes apprenticeship utilization targets for significant airplane manufacturer and aerospace industry. Does not establish expectations for level of aerospace industry employment.	<a href="#"><u>ESB 6690 (2020)</u></a>
<a href="#"><u>Nonprofit or Library Fundraising (2018)</u></a>	<b>Nonprofit fundraising/tax</b> Adds an inflationary mechanism to increase the fundraising amount and makes the preference permanent.	<a href="#"><u>SB 6312 (2019)</u></a>
<a href="#"><u>Sales of Manufactured and Mobile Home Communities (2017)</u></a>	<b>Manufactured/mobile homes</b> Implements the 2017 recommendation to continue the preference by removing an exemption date from the statute (RCW 82.45.010(3)(r)).	<a href="#"><u>ESSB 5183 (2019)</u></a>
<a href="#"><u>Standard Financial Information (2017)</u></a>	<b>Investment management/taxes</b> Implements 2017 recommendation for standard financial information (RCWs 82.08.207, 82.12.207).	<a href="#"><u>ESB 6016 (2019)</u></a>

Bills introduced during 2021-22 sessions to implement recommendations to Legislature that did not pass		
Tax Preference Review	Recommendation	Legislation
<a href="#"><u>Reduced B&amp;O Rate for Printing and Publishing Newspapers (2021)</u></a>	The Legislature should review this preference to <b>determine if the relief to newspaper printers and publishers is sufficient</b> and if additional assistance is needed to help these businesses stabilize financially.	<a href="#"><u>SB 5541</u></a> Newspapers/ B&O tax
<a href="#"><u>Hiring Unemployed Veterans (2020)</u></a>	The preferences are not currently working as intended. The Legislature should <b>modify the preferences to more effectively serve veterans</b> who are seeking jobs.	<a href="#"><u>HB 1677</u></a> Concerning employer tax incentives for the support of veterans and military families.

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### Bills introduced during 2021-22 sessions to implement recommendations to Legislature that did not pass

Tax Preference Review	Recommendation	Legislation
<a href="#"><u>Hog Fuel to Produce Energy (2019)</u></a>	The Legislature should <b>continue if facilities keep achieving the 75% job retention goal</b> . The Legislature should continue the preference because the statutory employment goal is being met.	<a href="#"><u>HB 1387/ HB 1924</u></a> Extends preference to 2034.
<a href="#"><u>Custom Farming and Hauling Farm Products (2018)</u></a>	The Legislature <b>should continue and clarify the two preferences</b> to add performance statements, specify public policy objectives, and eliminate the expiration dates.	<a href="#"><u>HB 1380/ HB 1641</u></a> Restore the B&O and public utility tax exemptions for custom farming and hauling farm products and make them permanent.

### Recommendations to Legislature that have not been implemented to date or had bill introduced

Tax Preference Review	Recommendation	Legislation
<a href="#"><u>Commute Trip Reduction Tax Credit (B&amp;O tax and PUT) (2022)</u></a>	<b>Continue and modify</b> because the <b>credit likely has limited influence</b> on the amount of incentives employers provide and on employee use of commute alternatives.	None proposed
<a href="#"><u>Food Processors: Dairy (B&amp;O tax) (2022)</u></a>	<b>Continue and clarify</b> expectations for job and wage growth and <b>determine the level of tax relief</b> needed to meet those expectations.	None proposed
<a href="#"><u>Food Processors: Fruit and Vegetable (B&amp;O tax) (2022)</u></a>	<b>Continue and clarify</b> expectations for job and wage growth and <b>determine the level of tax relief</b> needed to meet those expectations.	None proposed

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<a href="#"><u>Food Processors Seafood Processors (B&amp;O tax) (2022)</u></a>	<b>Review and clarify</b> because jobs and wages have <b>declined</b> and it is <b>unclear why</b> more businesses are not using the preferences or what the Legislature's expectations are for the industry's jobs and wages.	None proposed
<a href="#"><u>Nonprofit Hospitals and Cancer Clinics (Property tax) (2022)</u></a>	<b>Clarify the objectives</b> by including performance statements.	None proposed
<a href="#"><u>Manufacturers' Deferral (2021)</u></a>	Extend the expiration date and modify the program. <b>If the Legislature wants</b> the deferral program to <b>encourage businesses to create and retain more manufacturing jobs</b> in the state, and to provide more training and apprenticeship opportunities sooner, it should consider: <ul style="list-style-type: none"> <li>• <b>Modifying the deferral program</b> to focus more on creating <b>full-time manufacturing jobs</b>, rather than temporary construction work.</li> <li>• <b>Directly appropriating money</b> for training and apprenticeships in the manufacturing sector to the State Board for Community and Technical Colleges.</li> </ul>	None proposed
<a href="#"><u>Microbrewers (2020)</u></a>	The Legislature should <b>clarify the beer tax preference</b> by including a performance statement, <b>clarify the intended beneficiaries</b> , and <b>ensure</b> the preference <b>directly targets those businesses</b> .	None proposed
<a href="#"><u>Aircraft Part Prototypes (2019)</u></a>	The preference has <b>not been claimed</b> and <b>does not contribute to the public policy objectives</b> , so the Legislative Auditor continues to recommend termination.	None proposed
<a href="#"><u>Commercial Airplane Part Place of Sale (2019)</u></a>	The Legislature should <b>terminate the sales and use tax exemption</b> for prototypes for aircraft parts, auxiliary equipment, and modifications because the tax preference is <b>not being used</b> and has <b>not contributed to the stated public policy objectives</b> .	None proposed

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<a href="#"><u>Commuter Air Carrier Airplanes (Property Tax) (2019)</u></a>	<p>The preference is meeting one of two inferred objectives. While it is <b>simplifying reporting</b> for one taxpayer and the Department of Revenue, <b>it is not providing an alternative to property tax that results in a similar amount of tax paid.</b></p> <p>The Legislature should modify the preference to:</p> <ul style="list-style-type: none"> <li>• Provide a method to equalize commuter air carrier excise tax fees on airplanes with property taxes over time.</li> <li>• Clarify why the preference is limited to commuter air carriers primarily located on private property.</li> <li>• Provide a performance statement with stated objectives and metrics to determine if objectives are met.</li> </ul>	None proposed
<a href="#"><u>Commuter Air Carrier Airplanes (Sales and Use Tax -2019)</u></a>	The Legislature should <b>clarify its expectations</b> for this preference by adding a performance statement that clearly states the public policy objectives and metrics to determine whether the objectives have been met. The Legislature should clarify <b>what it hopes to achieve in terms of frequency of flights and locations served.</b>	None proposed
<a href="#"><u>Financial Institutions' Income from Certain Airplane Loans (2019)</u></a>	The Legislature should <b>clarify the intent and duration of this preference.</b> If the preference is intended to provide targeted financial relief to Washington-based airlines, the Legislature should add a performance statement and <b>determine</b> whether the relief is <b>meant to be permanent or time-limited.</b>	None proposed