

Report on the 2022 Session

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COVID-19 vaccinations are still underway to protect our community from the ongoing pandemic. If you have questions about the vaccine, or to find a vaccination site near you, head to **VaccineLocator.doh.wa.gov**, or call the COVID-19 Information Hotline at **1-800-525-0127**, then press #.

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36th
Legislative
District

Friends & Neighbors,

We recently wrapped up the 2022 Legislative Session after passing policies and making investments that will help our communities grow and recover as we come out of this pandemic. Though we had some long days (and some very late nights), I'm proud of what we were able to accomplish. We took historic steps this year to support families, protect our communities, and help our small businesses get back on their feet.

We funded things like rent, utility, and food assistance to better support the families struggling most in our state, and increased access to capital in the form of grants and loans for hard hit industries and small businesses.

We invested in the mental health and well-being of our children with more school nurses, counselors, and social workers in K-12 schools. And we ensured all parents can actively engage in their child's learning by increasing language access in our schools.

We also passed new laws to increase access to free and reduced health care to 2.2 million Washingtonians by standardizing the way hospitals provide "charity care," create a statewide alert for missing Indigenous people, provide funding to support refugees, and much more.

Our biggest climate win was passing the historic Move Ahead Washington transportation package, which ushers in a sustainable and achievable transportation future for our state, investing in everything from bicycle and pedestrian paths to EV charging stations, to transit.

We started our COVID-19 recovery work in 2021 with the Washington Recovery Budget, and this year we continued with unprecedented supplemental budget investments, a capital budget to meet our state's challenges, and a historic transportation package that moves us forward. I invite you to keep reading for an update on more of our work this session.

It's an honor to represent you in Olympia,

Rep. Noel Frame

Wins for Washington's Working Families

As a new parent and member of the newly-created Mom's Caucus, I am excited to report on a few of the policy wins from this session that will greatly benefit Washington's parents, families, and children.

Among dozens of our successful priorities, we passed a bill to create a new certification for birth doulas, who help families navigate labor, delivery, and postpartum recovery. We also passed legislation to provide opportunities for outdoor education to all Washington students, getting them away from screens and into nature so they can stay healthy and thrive in school.

Low-Income Families Diaper Subsidy

Families across our state are struggling to afford diapers, an essential product needed to keep infants and toddlers healthy and required by most early child care programs in order for their child to attend. As a mother of a young child, I can attest that parenting can already be stressful without struggling to afford the things your child needs. That's why I'm excited to report the successful passage of the Senate companion to my bill (HB 1947/SB 5838) to provide a monthly diaper subsidy to families in need, helping keep young children and their families healthy and happy!



Targeted Tax Reductions and Next Steps

In the wake of COVID-19, the inequities in our tax code have been further laid bare. As I've said before, adequate revenue is not the only objective – it matters where the revenue comes from. The very people who need help the most cannot and should not disproportionately carry the responsibility of economic recovery.

In 2021, we took steps to respond to COVID-19 and balance our state tax code with the passage of both the Working Families Tax Credit and the Capital Gains Excise Tax. This session, we continued our work to ensure exemptions provide targeted tax reductions to those who need it most.

We passed legislation (SB 5980) to increase the credit that small businesses are allowed to deduct for state business and occupation (B&O) taxes and increases the filing threshold, meaning 125,000 businesses will see lower B&O taxes or not even have to file with

the Department of Revenue. This will be welcome relief to those that are still struggling and now confronting increased costs, supply chain issues, and staffing shortages.

Legislation to strengthen the Working Families Tax Credit (HB 1888) also successfully passed this session. The bill ensures the credit is adjusted annually so families don't face a steep drop-off in benefits. The expansion of the program, along with a \$10 million investment in community-based outreach to those who will benefit, helps ensure greater financial stability for hundreds of thousands of working families in Washington.



The Tax Structure Work Group

Over the past few years, the Tax Structure Work Group (TSWG) conducted robust economic analyses and held virtual listening sessions to find out how the Legislature can create a more equitable, transparent, and stable tax code for working families and small businesses across the state. Throughout last fall, the Work Group invited taxpayers to explore several scenarios to change the state's tax structure at Tax Town Halls, a survey in multiple languages, and engagement directly with various community and business groups.

Now that analysis and deep public engagement have occurred, the TSWG has decided which policy concepts to advance to the next stage of our process. These concepts include significantly modifying or replacing the B&O tax with a Margins tax, and pairing a wealth tax (similar to my proposed HB 1406) with a reduction of property tax and expansion of the Working Families Tax Credit. The TSWG will work over the next nine months to develop some or all of these concepts into official recommendations of the work group, aiming to reduce the tax burden on low- and middle-income families, as well as small, start-up, and low-margin businesses. *Learn more about how the ideas of the Tax Structure Work Group might affect the taxes that you pay by visiting taxworkgroup.org.*

Small Business & Economic Development

This recovery has been uneven, and many small businesses continue to struggle while large corporations are making record profits at a time when costs and inflation are increasing. That's why it's important we ensure that the music venues, restaurants, theaters, and tourist sites we cherish are still open to welcome the public

as we get back to normal again. By making smart, strategic investments in small hospitality and entertainment businesses through state loans, grants, lower fees, and tax credits, we are helping communities thrive again and ensuring entrepreneurs have the tools and resources they need to be successful.

In addition to the B&O tax credit that will benefit small, local businesses (see previous section) this year's budgets prioritize these small businesses and entrepreneurs. Investments include:

- **\$100 million** in grants to hospitality businesses who have been some of the hardest hit during the pandemic;
- **\$25 million** in small business assistance for arts, heritage, and cultural organizations;
- **\$12 million** to incentivize movies and TV shows to film in Washington state;
- **\$39 million** to support an innovation and competitiveness fund for entrepreneurs and small businesses; and
- **\$36 million** for a new small business disaster response and resiliency program.

The Work Ahead on Housing

Washington was in a housing and homelessness crisis before the pandemic, and the economic downturn only made it worse. That's why I'm glad we made historic investments – nearly \$1 billion for permanent supportive housing and supports – to address the immediate crisis that is homelessness. Those and other investments helped



stave off a wave of evictions. While we made some headway, it's not enough. We need to build more housing and people need affordable homes. Washington has the fewest number of housing units per household of any state in the country. It's a major vulnerability for our economy and quality of life. I'm disappointed in our failure to pass truly substantial housing policy this session, such as to increase middle housing near transit and expand accessory dwelling units (ADUs). This will be a major focus for me moving forward!