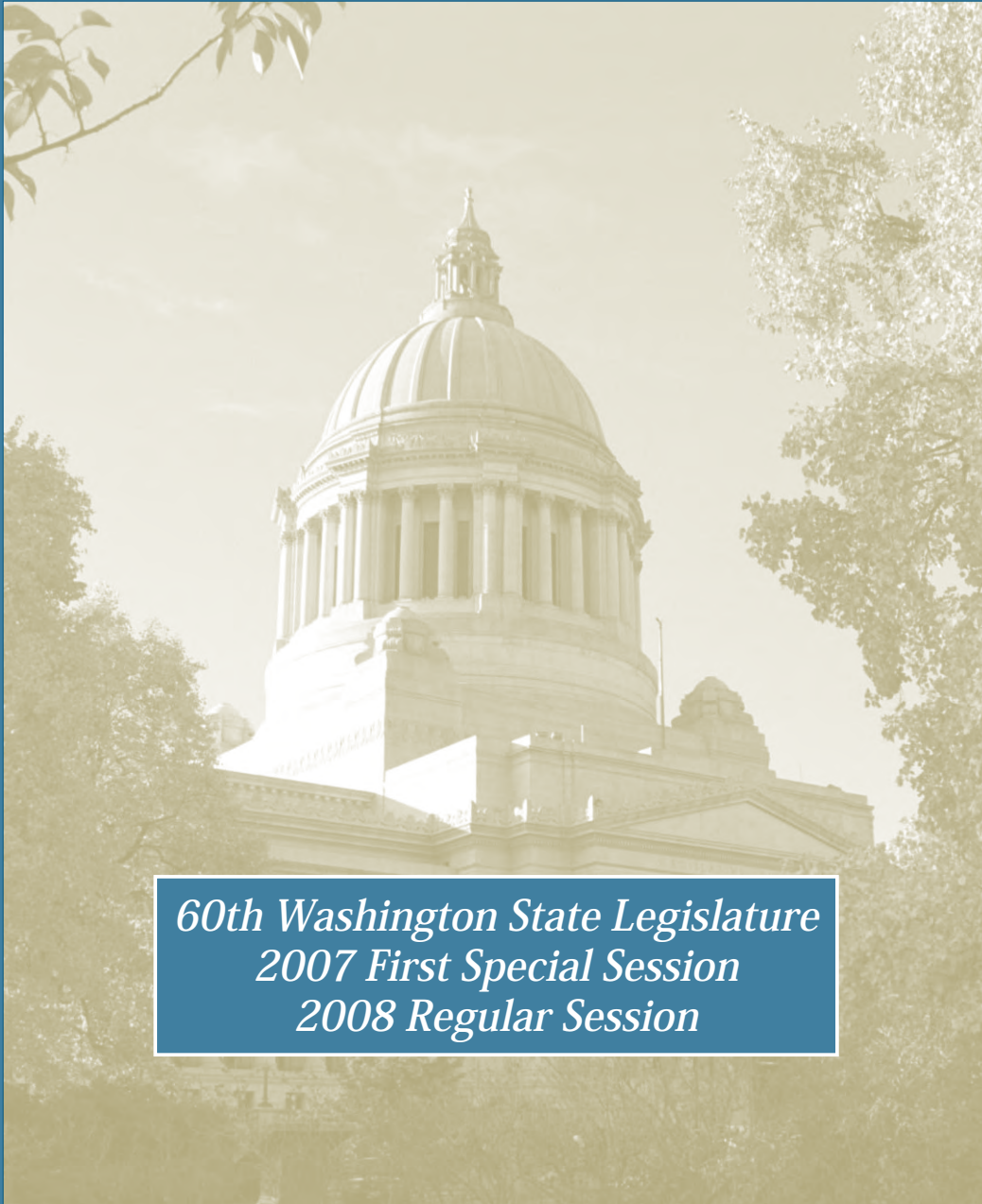
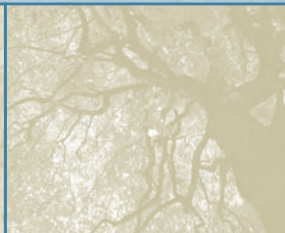
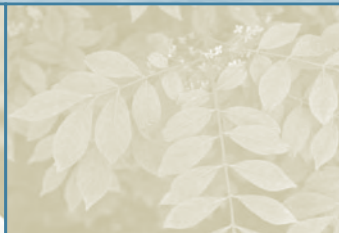
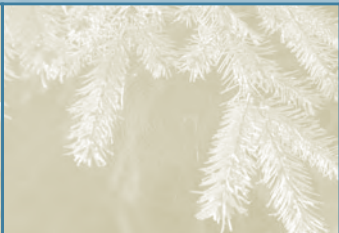
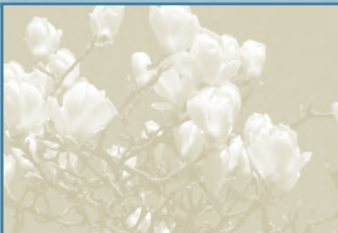


2008 Final Legislative Report



*60th Washington State Legislature
2007 First Special Session
2008 Regular Session*



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Sixtieth Washington State Legislature 2007 First Special Session 2008 Regular Session

Washington State Veterans' Memorials

Medal of Honor Memorial: The Medal of Honor Monument was dedicated on November 7, 1976, to honor those Washington citizens who have received the nation's highest military decoration, the Congressional Medal of Honor. The 11½-foot tall granite obelisk is affixed with the Seal of the State of Washington and is inscribed with the names of those Washington citizens who were bestowed this supreme honor. The simple monument is located east of the Winged Victory memorial on the Capitol Campus.

World War II Memorial: The World War II Memorial was authorized in 1995 by the Washington State Legislature. The memorial was dedicated on May 28, 1999, during a patriotic and emotional ceremony that drew a crowd of 5,000. The design features a star-like cluster of five, 14-foot high bronze blades engraved with the names of nearly 6,000 Washington residents who lost their lives in WWII. The engraved names form silhouette images of military personnel and civilians. These blades are placed upon a granite world map.

*To read more about the Washington State Veterans Memorials, visit:
www.leg.wa.gov/OutsideTheLegislature/WashingtonStateInfo/Memorials*

60th Washington State Legislature

Medal of Honor



Winged Victory Monument



World War II Memorial



Law Enforcement Memorial



POW/MIA Memorial



Vietnam Veterans Memorial



Korean War Memorial



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Washington State Veterans' Memorials

Law Enforcement Memorial: The Washington State Law Enforcement Memorial is a lasting tribute to law enforcement officers who gave their lives in the line of duty, and a place of remembrance for families, friends and fellow officers.

Dedicated on May 1, 2006 the memorial sits in the shadow of the Temple of Justice overlooking Capitol Lake, Puget Sound and the Olympic Mountains beyond. The beautifully designed memorial bears the names of law enforcement officers killed in the line of duty in the state of Washington from territorial days to present.

POW/MIA Memorial: A monument to American prisoners of war and those missing in action was dedicated in a solemn ceremony at the capitol campus on September 16, 1988. An all night vigil, followed by the release of commemorative balloons, followed the ceremony. Recognition was also given to the POW/MIA flag that is flown regularly on one of three flagpoles near the Legislative Building.

*To read more about the Washington State Veterans Memorials, visit:
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60th Washington State Legislature

Medal of Honor



Winged Victory Monument



World War II Memorial



Law Enforcement Memorial



POW/MIA Memorial



Vietnam Veterans Memorial



Korean War Memorial



Statistical Summary

2007 First Special Session of the 60th Legislature

2008 Regular Session of the 60th Legislature

Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
<i>2007 First Special Session (November 29)</i>					
House	4	1	0	0	1
Senate	5	1	0	0	1
TOTALS	9	2	0	0	2
<i>2008 Regular Session (January 14 - March 13)</i>					
House	969	169	2	13	167
Senate	778	162	1	12	161
TOTALS	1747	331	3	25	328
Initiatives, Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature			Introduced	Filed with the Secretary of State	
<i>2007 First Special Session (November 29)</i>					
House			0	0	
Senate			2	1	
TOTALS			2	1	
<i>2008 Regular Session (January 14 - March 13)</i>					
House			19	5	
Senate			21	5	
TOTALS			40	10	
Initiatives			1	1	
Gubernatorial Appointments			Referred	Confirmed	
<i>2008 Regular Session (January 14 - March 13)</i>			104	84	

Historical - Bills Passed Legislature

Ten-Year Average				Actual			
	Odd Years	Even Years	Biennial	2007	2007 1st Special	2008	2007-08 Total
House Bills	263	169	432	297	1	169	467
Senate Bills	196	156	352	225	1	162	388
TOTALS	459	325	784	522	2	331	855

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Washington State Veterans' Memorials

Vietnam Veterans' Memorial: The beautiful and symbolic Vietnam Veterans' Memorial was unveiled in a patriotic ceremony on Memorial Day, May 25, 1987. The memorial is located on a grassy knoll east of the state Insurance Building on the Capitol Campus and is near the Winged Victory Monument. The site provides visitors with a tranquil spot to reflect on the memories of those men and women who never returned from the Vietnam conflict.

Since its dedication, the Vietnam Veterans Memorial has been the site of many private reflections and tributes. Items such as flags, flowers, letters and personal effects have been left to honor the memory of those who did not return. All items are collected and placed in the state archives.

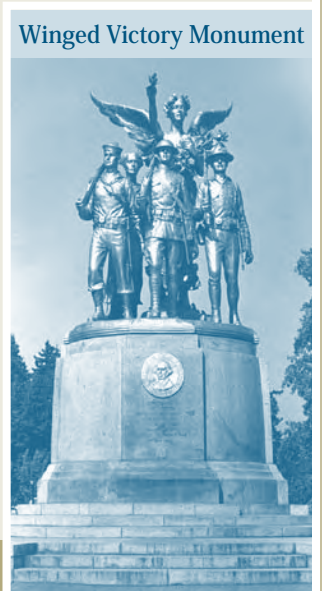
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60th Washington State Legislature

Medal of Honor



Winged Victory Monument



World War II Memorial



Law Enforcement Memorial



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I 960

C 1 L 08

Relating to tax and fee increases imposed by the state

By the People of the State of Washington.

Background: Initiative 601. In 1993 the voters enacted Initiative 601 (I-601), which established expenditure limits and restrictions on tax and fee increases. I-601 has been amended a number of times since its enactment.

I-601 and the State Expenditure Limit. Under I-601, certain state expenditures are subject to an expenditure limit based on the fiscal growth factor (FGF). To set a fiscal year limit, the previous fiscal year's limit is adjusted by the FGF, and the limit is further adjusted upward and downward for money and program transfers. This expenditure limit originally applied only to the State General Fund, which accounts for over half of state operating budget expenditures. Effective July 1, 2007, the expenditure limit applies not only to the State General Fund but also to six "related funds." The Public Safety and Education Account, the Equal Justice Subaccount, the Health Services Account, the Violence Reduction and Drug Enforcement Account, the Water Quality Account, and the Student Achievement Fund.

As of July 1, 2007, the FGF is a ten-year average of personal income growth. For example, for the fiscal year ending June 30, 2008, the FGF is 5.53 percent.

I-601 and Restrictions on Tax Increases. I-601 establishes two voting requirements for tax increases:

- Any action or combination of actions by the Legislature that "raises state revenue or requires revenue-neutral tax shifts" may be taken only if (1) approved by a two-thirds vote of each house of the Legislature, and (2) state expenditures, including the new revenue, will not exceed the expenditure limit.
- If the legislative action to "raise state revenue" will result in expenditures in excess of the expenditure limit, then the action may not take effect until approved by the voters at the subsequent November election.

Although these requirements reference the expenditure limit, I-601 does not specify whether they apply only to tax increases deposited in funds subject to the expenditure limit or to all tax increases.

I-601 and Restrictions on Fee Increases. A fee is a charge that is required for a governmental service or privilege, such as a user fee or a regulatory fee. I-601 established restrictions on fee growth. In any fiscal year, state agencies may not increase existing fees in excess of FGF for that year without prior legislative approval. This restriction does not apply to the initial creation of a fee.

The Referendum Process and Advisory Votes. Article II, section 1 of the state constitution (amendment 7) establishes a process for the voters to approve or reject legislation enacted by the Legislature. There are two

referendum powers. First, the Legislature may enact a referendum bill, under which the Legislature refers an act to the voters for their approval or rejection. Second, the voters may place a referendum measure on the ballot (by filing a petition with signatures equal to 4 percent of the voters who voted in the last gubernatorial election) to reject a bill enacted by the Legislature.

Under Article II, section 1, certain types of legislation are exempt from the referendum measure process, and the voters may not petition for a referendum on these types of bills. The standard "emergency clause" used in bills is based on these two constitutional exceptions to the referendum process: (1) bills that are necessary for the support of the state government and its existing public institutions (interpreted to include appropriations and revenue legislation); and (2) bills that are necessary for the immediate preservation of the public peace, health, or safety.

Although the Legislature has previously authorized regional advisory votes on certain issues, there is not currently any provision in law for the citizens to take a state-wide advisory vote on a legislative enactment.

Information for Ballot Measures. The voters' pamphlet must contain the following information about ballot measures referred to the people: the ballot title, statements prepared by the Attorney General summarizing current law and explaining the effect of the measure if it became law, a fiscal impact statement prepared by the Office of Financial Management (OFM), votes cast for and against the measure in the Legislature (if applicable), pro and con arguments and rebuttals of those arguments, the names of persons who submitted those arguments, and the full text of the measure.

The fiscal impact statement must describe the projected increase or decrease in revenues, costs, expenditures, or indebtedness that state or local governments would experience if the ballot measure were approved.

Ballot titles may be appealed to the Thurston County Superior Court.

Fiscal Impact Information for Legislation. House and Senate rules require public notice of and access to committee hearings on legislation. Information about bills, including summaries, fiscal information, sponsorship, and legislators' voting records, is available to the public at the Capitol and on the Legislature's website.

Legislators may request fiscal notes to provide information on the cost of proposed legislation. A fiscal note estimates the revenue and expenditure impact of the proposed legislation for the current fiscal biennium and for the two following biennia. Generally, the OFM has primary responsibility for developing and approving fiscal notes, which it prepares in coordination with the affected agencies. After the OFM has approved a fiscal note, copies are filed with the appropriate legislative committees and are made available to the public at the Capitol and on the OFM's and the Legislature's websites. The

fiscal note must follow or be attached to the legislation to the extent possible.

Summary: The Expenditure Limit. A statement of intent declares that the expenditure limit law is to be clarified so that the requirement for a vote of the people on tax increases that exceed the expenditure limit is not circumvented.

Where the cost of a state program or function and the ongoing revenue needed to support the program or function are shifted to an account subject to the limit, the limit may not be increased if the shifted revenue had previously been shifted from an account subject to the limit.

Restrictions on Tax Increases. A statement of intent declares that the people want to continue the policy that requires a two-thirds vote for approving tax increases, whether the increase is inside or outside the State General Fund.

The legislative supermajority vote and vote of the people requirements apply to any legislative action that "raises taxes," rather than to any action that "raises revenue or requires revenue-neutral tax shifts." Further, these requirements apply to taxes deposited in any fund, not just the General Fund or other funds subject to the limit. "Raises taxes" means any action or combination of actions by the Legislature that "increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the State General Fund."

A statement of intent declares that if the Legislature cannot receive a two-thirds vote in the Legislature for a tax increase, then the Constitution provides the option of referring the tax increase to the voters through the referendum bill process. Pursuant to the constitutional referendum power, tax increases may be referred to the voters for their approval or rejection.

Restrictions on Fee Increases. A statement of intent declares that the authority to impose or increase fees should be returned to elected representatives rather than agency officials, and that fee increases should be debated openly and subject to an up-or-down vote by elected officials.

All fee increases (not just those in excess of the FGF) and all new fees require prior legislative approval. Legislation authorizing fee increases is subject to the cost projection process described below.

The Referendum Process and Advisory Votes. A statement of intent declares that (1) the Legislature has thwarted the voters' right of referendum through "excessive use of the emergency clause;" and (2) if the voters are not allowed to vote on a tax increase, then the voters should be allowed to make their views known through a non-binding advisory vote.

A legislative action that raises taxes requires an advisory vote of the people at the next general election if the legislative action is "blocked from a public vote" or is not referred to the people by a referendum petition.

"Blocked from a public vote" includes adding a "emergency clause" to a bill, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill.

If the action raising taxes involves more than one revenue source, each revenue source is subject to a separate advisory vote.

The advisory vote requirement does not apply if the legislative action raising taxes is referred to the people by the Legislature or is included in an initiative to the people.

Ballot Titles and Voters' Pamphlet Information for Advisory Vote Measures. The Attorney General must notify the Secretary of State of any tax increase that is subject to an advisory vote.

The Attorney General must prepare a ballot description of the tax increase, which includes the ten-year projected dollar amount of the increase. The ballot description is not subject to appeal.

The voters' pamphlet requirements for other ballot measures do not apply to advisory vote measures. The voters' pamphlet for advisory vote measures must provide two pages with specified information, including: the ballot description prepared by the Attorney General; the OFM's most recent cost projection; legislator's names and contact information, including party affiliation, hometown, and office and e-mail addresses; and how legislators voted on the tax increase.

Fiscal Impact Information for Proposed Tax and Fee Legislation. A statement of intent declares that the people want independent analyses of tax increases and information on legislation that proposes tax and fee increases.

The OFM must prepare cost projections of bills that raise taxes or increase fees. The OFM must publicize this information on the OFM website and via press release to all legislators, the news media, and the public. The cost projection must project the bill's costs for the first ten years, with breakdowns by year and by revenue source. The press release must also list the names of the legislators who sponsored the bill, along with their contact information and party affiliation. When a bill is scheduled for hearing in a legislative committee, or is approved by a legislative committee or the Senate or House of Representatives, the OFM must update its projections to reflect any revisions and must provide an updated press release, which must include information about how legislators voted.

Preparation of these cost projections takes precedence over the preparation of fiscal notes on legislation, and during the legislative process the cost projections must follow or be attached to the legislation to the extent possible.

Effective: December 6, 2007

ESHB 1030

C 219 L 08

Enhancing the penalty for eluding a police vehicle.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Takko, Lovick, Simpson, Haler, Blake, Campbell, Ross, Skinner, Newhouse, Conway, Morrell, Chandler, McDonald, Rodne, Kristiansen, Wallace, Moeller, VanDeWege, McCune, Williams, Bailey, Warnick, Upthegrove, Alexander and Pearson).

House Committee on Public Safety & Emergency Preparedness

House Committee on Appropriations

Senate Committee on Judiciary

Background: Crime of Attempting to Elude a Police Vehicle. A driver commits the crime of attempting to elude a police vehicle by willfully failing or refusing, on a public highway, to immediately stop his or her vehicle after receiving a visual or audible signal to stop, and by driving recklessly while attempting to elude the pursuing vehicle. The signal may be given by hand, voice, emergency light, or siren, but the officer must be in uniform and the vehicle must have lights and sirens.

Even if the prosecution shows that the defendant failed to stop after being given a signal to do so, the defendant may avoid conviction if he or she establishes, by a preponderance of the evidence, that either: (1) a reasonable person would not have believed that a police officer gave the signal; or (2) driving after receiving the signal was reasonable under the circumstances.

Under the Sentencing Reform Act (SRA), attempting to elude a police vehicle is ranked as a seriousness level of I, class C felony offense. A first-time offender would receive a presumptive sentence of zero to 60 days in jail. The statutory maximum sentence is five years in prison and a \$10,000 fine. Additionally, the Department of Licensing must revoke the defendant's license for one year upon conviction.

Sentencing Enhancements. Under the SRA, the court must impose imprisonment in addition to the standard sentencing range if specific conditions for sentencing enhancements are met. Sentencing enhancements may apply if any of the following apply: (1) the offender was armed with a firearm while committing certain felonies; (2) the offender was armed with a deadly weapon while committing certain felonies; (3) the offender committed certain felonies while incarcerated; (4) the offender committed certain drug offenses; (5) the offender committed vehicular homicide while under the influence of alcohol or drugs; or (6) the offender committed a felony crime that was committed with sexual motivation.

The U.S. Supreme Court, in *Blakely v. Washington*, ruled that any factor that increases a defendant's sentence above the standard range, other than the fact of a prior

conviction, must be proven to a jury beyond a reasonable doubt. To do otherwise would violate the defendant's right to a jury trial under the Sixth Amendment.

Summary: A procedure is established for determining whether an eluding offense involved the endangerment of other persons, and a new sentencing enhancement penalty is created for the conviction of such eluding offenses.

In a prosecution for an eluding offense, if sufficient evidence exists to support the allegation that the eluding offense involved one or more persons (other than the defendant or pursuing law enforcement officer) who were threatened with physical injury or harm, then the prosecuting attorney may file a special allegation. In a case where a special allegation has been made, if a court makes a finding of fact, or in a jury trial if the jury finds a special verdict, that: (1) an offender committed the crime of attempting to elude a pursuing police vehicle, and (2) the underlying offense involved the endangerment of one or more persons (other than the defendant or pursuing law enforcement officer), then the court must impose a sentence enhancement. The sentence enhancement must include a sentence of 12 months and one day of imprisonment that is added to the offender's presumptive sentence.

This act is known as the Guillermo "Bobby" Aguilar and Edgar F. Trevino-Mendoza Public Safety Act of 2008.

Votes on Final Passage:

House	98	0	
House	97	0	
Senate	48	1	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

ESHB 1031

C 138 L 08

Changing provisions concerning electronic devices.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins, Moeller, Linville, B. Sullivan and Chase).

House Committee on Technology, Energy & Communications

Senate Committee on Financial Institutions & Insurance

Background: Radio Frequency Identification. Radio Frequency Identification (RFID) is a tagging and tracking technology that uses tiny electronic devices, called tags or chips, that are equipped with antennae. Passive RFID chips receive power from the electromagnetic field emitted by a reader in order to send the information contained on the chip to the reader. Active RFID chips have their own power source. Both active and passive RFID

chips use radio waves to transmit and receive information.

Readers are devices that also have antennae. These reader-antennae receive information from the tag. The information gathered by the reader can be stored or matched to an existing record in a database. Most RFID chips can be read at a distance and often without the knowledge of the person who carries the item containing the RFID chip.

There are no federal or state laws that specifically prohibit or restrict the use of RFID.

Facial Recognition Technology. Facial recognition technology is a type of technology that attaches numerical values to a person's different facial features and creates a unique faceprint. This faceprint can be checked against a database of existing persons' faceprints to identify a person.

Federal Privacy Laws. Federal law contains a number of protections with respect to individual privacy.

The federal Privacy Act of 1974 protects unauthorized disclosure of certain federal government records pertaining to individuals. It also gives individuals the right to review records about themselves, to find out if these records have been disclosed, and to request corrections or amendments of these records, unless the records are legally exempt. The federal Privacy Act applies to the information gathering practices of the federal government, but does not apply to state or local governments or to the private sector.

In addition to the federal Privacy Act, there are other federal laws that limit how personal information may be disclosed. The Gramm-Leach-Bliley Act (GLBA) requires financial institutions to give their customers privacy notices that explain the financial institution's information collection and sharing practices. Generally, if a financial institution shares a consumer's information, it must give the consumer the ability to "opt-out" and withhold their information from being shared.

The Fair Credit Reporting Act (FCRA) generally requires that credit reporting agencies follow reasonable procedures to protect the confidentiality, accuracy, and relevance of credit information. To accomplish this, the FCRA establishes a framework of fair information practices for personal information maintained by credit reporting agencies that includes the right to access and correct data, data security, limitations on use, requirements for data destruction, notice, consent, and accountability. In addition, the Health Insurance Portability and Accountability Act (HIPAA) limits the sharing of individual health and personal information.

Washington's Privacy Laws. The Washington Privacy Act restricts the interception or recording of private communications or conversations. As a general rule, it is unlawful for any person to intercept or record a private communication or conversation without first obtaining the consent of all parties participating in the

communication or conversation. There are some limited exceptions to this general rule that allow the communication or conversation to be intercepted and recorded when only one party consents, or allow it to be intercepted pursuant to a court order.

Certain persons and activities are exempt from the Washington Privacy Act, including common carriers in connection with services provided pursuant to its tariffs on file with the Washington Utilities and Transportation Commission and emergency 911 service.

In addition to the Washington Privacy Act, Washington law contains a number of provisions with respect to invasions of privacy, including provisions related to identity theft, computer theft, stalking, and "skimming" crimes, which refers an identification or payment card being copied for illegal purposes.

Summary: Scanning of an Identification Device. It is a class C felony for a person to intentionally scan another person's identification device remotely, without that person's prior knowledge and consent, for the purpose of fraud, identity theft, or another illegal purpose.

Definitions. An identification device is defined as an item that uses radio frequency identification technology (RFID) or facial recognition technology.

RFID is defined as a technology that uses radio waves to transmit data remotely to readers.

Data is defined as personal information, numerical values associated with a person's facial features, or unique personal identifier numbers stored on an identification device.

Personal information is defined as an individual's first name or first initial and last name in combination with any one of the following data elements, when either the name or the data elements are not encrypted: (1) social security number; (2) driver's license number or Washington identification card number; or (3) account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account. Personal information does not include information that is lawfully made available to the general public from federal, state, or local government records.

Votes on Final Passage:

House	69	28	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

4SHB 1103
PARTIAL VETO

C 134 L 08

Increasing the authority of regulators to remove health care practitioners who pose a risk to the public.

By House Committee on Appropriations (originally sponsored by Representatives Campbell, Green, Kenney, Hudgins, Appleton, Schual-Berke and Cody).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: Health Professions Discipline. The Uniform Disciplinary Act (UDA) governs disciplinary actions for all 62 categories of credentialed health care providers. The UDA defines acts of unprofessional conduct, establishes sanctions for such acts, and provides general procedures for addressing complaints and taking disciplinary actions against a credentialed health care provider. Responsibilities in the disciplinary process are divided between the Secretary of the Department of Health (Secretary) and 14 health profession boards and commissions (collectively known as "disciplining authorities") according to the profession that the health care provider is a member of and the relevant step in the disciplinary process.

In August 2007 the State Auditor's Office released a performance audit of the Department of Health's (DOH) health professions regulatory system. The report included several recommendations for legislative action. Among the report's recommendations were: to provide the disciplining authorities with additional tools for obtaining records, documents, and other evidence; to give the DOH the authority to access Washington State Patrol (WSP) and Federal Bureau of Investigations (FBI) criminal background information; and to require that national background checks be conducted on all credential holders.

Post-Conviction Credentialing. Individuals who have been convicted of a felony may not be disqualified from government employment or the practice of a profession or business that requires a license solely because of the prior conviction. There is an exception for situations in which the conviction is directly related to the employment or the profession or business at issue and less than 10 years have passed since the conviction.

Criminal defendants who have completed their probation may have their record of convictions vacated and be released from any penalties and disabilities that arose from the conviction. In addition, the conviction is prohibited from being disseminated or disclosed by either the WSP or local law enforcement agencies.

Summary: Disciplinary Procedures. The authority to conduct all phases of disciplinary actions regarding cases

of unprofessional conduct relating to sexual misconduct that do not involve clinical expertise or standards of practice is shifted from the individual disciplining authorities to the sole authority of the Secretary.

Credential holders who have had their credential summarily suspended or their practice restricted may request a show cause hearing before a health law judge or panel of a board or commission. The request must be made within 20 days of the issuance of the order and the show cause hearing must be held within 14 days of the request. The disciplining authority has the burden of demonstrating that the credential holder poses an immediate threat to the public health and safety.

Application Denial or Issuance with Conditions. Disciplining authorities may deny an application for a credential or issue a credential with conditions according to a process that is distinct from the standard disciplinary process for credential holders. The new process provides notice to an applicant of any denial or issuance with conditions and a right to an adjudicative proceeding. The circumstances for which a disciplining authority may deny an application for a health care provider credential or issue the credential with conditions are specified. These circumstances are where the applicant:

- has had his or her credential suspended by another jurisdiction;
- has committed an act of unprofessional conduct;
- has been convicted of, or is subject to prosecution for, a crime involving moral turpitude, certain violent crimes, a crime relating to drugs, or a crime relating to financial exploitation;
- fails to prove that he or she meets the qualifications related to the profession; or
- cannot practice with reasonable skill and safety by reason of a mental or physical condition.

When determining the disposition of an application in which the applicant's mental or physical condition is at issue, the disciplining authority may require the applicant to submit to a mental, physical, or psychological examination at his or her expense. An applicant is deemed to have waived all objections to the admissibility of the testimony or reports of the health care provider who performs the examination.

Background Checks. The Secretary is authorized to receive and use criminal history information including nonconviction data for disciplinary and licensing purposes. Applicants for an initial credential to practice a health profession must receive a background check from the WSP prior to receiving the credential. The Secretary must specify those circumstances in which a state background check is inadequate and an electronic fingerprint-based national background check through the WSP and the FBI must be conducted. Such situations include cases in which an applicant has a criminal record in Washington or has recently lived out-of-state. The Secretary must conduct an annual review of a representative

sample of health care providers who have previously received a background check.

When making license issuance determinations, the disciplining authority must consider the results of any background checks that reveal either a conviction for a crime that constitutes unprofessional conduct or a series of arrests that demonstrate a pattern of behavior that likely presents a risk of harm to the public. The disciplining authority must take disciplinary action against a health care provider when information received from a review of previously checked providers reveals a failure to report required information to the DOH about arrests, convictions, or other determinations by law enforcement agencies.

The list of convictions that are cross-checked with the WSP's database is expanded to include financial crimes, drug crimes, and all felonies.

Disciplinary Sanctions. Each of the disciplining authorities must appoint a representative to collaboratively develop a schedule that defines appropriate ranges of sanctions to apply to a credentialed health care provider for acts of unprofessional conduct. The schedule must identify aggravating and mitigating circumstances to reduce or enhance a sanction for each act of unprofessional conduct. The Secretary must use the recommended schedule as the basis for the adoption of emergency rules to be implemented by January 1, 2009. Disciplining authorities must apply sanctions in accordance with the schedule, unless unique circumstances justify deviating from them.

A disciplining authority may order the permanent revocation of a license if it finds that the credential holder can never be rehabilitated or regain the ability to practice with reasonable skill and safety. A credentialed health care provider who has surrendered his or her credential or had it permanently revoked may not petition the disciplining authority for reinstatement.

Reporting Unprofessional Conduct. Credential holders, corporations, organizations, health care facilities, and government agencies that employ a credentialed health care provider are required to report when they have knowledge that a credential holder or an applicant for a credential has engaged in unprofessional conduct or have information that the individual cannot practice with reasonable skill and safety due to a physical or mental condition. Failure to report is punishable by a maximum fine of \$500. The maximum fine of \$250 that hospitals may be charged for not submitting a mandatory report is raised to a maximum fine of \$500.

Credentialed health care providers are required to report any arrests, convictions, and other determinations by law enforcement agencies to the appropriate disciplining authority.

Post-Conviction Credentialing. Records of criminal defendants, which would otherwise be vacated and non-disclosable, are subject to distribution by the WSP or

local law enforcement agencies for the purposes of health profession disciplinary activities. Protections that prevent a person from being disqualified to practice a profession for up to 10 years after he or she is convicted of a felony do not apply to health care provider credentials.

Health Profession Commission Authority. Members of health profession boards and commissions are allowed to express their opinions regarding the work of the board or commission to elected officials even if it is different from the DOH's official position. Members of boards and commissions may not lobby for or against legislative proposals.

At the request of a board or commission, the Secretary shall spend unappropriated funds in the Health Professions Account when revenues for the requesting board or commission exceed 15 percent of estimated six-year spending projections. The money may only be used for the requesting board or commission for unanticipated costs for administering the profession's licensing activities.

Pilot projects are established relating to the Medical Quality Assurance Commission and Nursing Care Quality Assurance Commission. In addition, the Chiropractic Quality Assurance Commission and the Dental Quality Assurance Commission may participate in the pilot projects. The pilot projects authorize each participating commission to hire its own executive director and permit the executive director to carry out the administrative duties of the commission and manage the DOH staff that are assigned to the commission. Under the pilot projects the commissions are authorized to establish their own biennial budgets and develop their own performance-based expectations.

The Secretary and the participating commissions must submit a report to the Governor and the Legislature by December 15, 2013. The report must compare the commissions' effectiveness in licensing and disciplinary activities, efficiency with respect to timeliness and personnel resources, budgetary activity, and ability to meet performance measures. The report must also review national research regarding regulatory effectiveness and patient safety.

Other Provisions. The Secretary must initiate an investigation in cases in which complaints, arrests, or other actions not resulting in a formal adjudication against a health care provider demonstrate a pattern of behavior that likely poses a risk to his or her patients.

Biennial disciplinary reports are made annual and must include data related to the DOH's background check activities and their effectiveness. The disciplinary reports must include a summary of the distribution of cases assigned to each staff attorney and investigator for each profession. Boards and commissions may publish an annual report of their disciplinary activities,

rulemaking and policy activities, and receipts and expenditures for the profession.

Votes on Final Passage:

House	70	27	
House	97	0	
Senate	48	1	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

July 1, 2008 (Section 18)

Partial Veto Summary: The Governor vetoed the section that created an emergency clause for the effective date of the bill.

VETO MESSAGE ON 4SHB 1103

March 25, 2008

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 40, Fourth Substitute House Bill 1103 entitled:

“AN ACT Relating to health professions.”

This bill ensures that all health care providers in Washington State are well-qualified by strengthening the state’s standards for credentialing and disciplining providers.

Section 40 is an emergency clause. Fourth Substitute House Bill 1103 increases the authority of regulators to remove health care practitioners who pose a risk to the public but does not necessitate an emergency clause. An emergency clause is to be used where it is necessary for the immediate preservation of the public peace, health or safety or whenever it is essential for the support of state government. I do not believe that an emergency clause is needed.

For this reason, I have vetoed Section 40 of Fourth Substitute House Bill 1103.

With the exception of Section 40, Fourth Substitute House Bill 1103 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SHB 1141

C 221 L 08

Modifying diversion records provisions.

By House Committee on Human Services (originally sponsored by Representatives Roberts, Haler, O'Brien, Green, Goodman, Kagi, Appleton, Walsh, Williams, Dickerson, Darneille, Flannigan, McCoy, Hinkle, Pettigrew and Hasegawa).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: If a prosecuting attorney receives a report from law enforcement of an alleged offense, the prosecutor screens the complaint to determine whether there is juvenile court jurisdiction over the alleged offense and

whether there is probable cause to believe that a juvenile committed the offense.

Under the Juvenile Justice Act, that a case against a juvenile if the prosecutor determines is legally sufficient, the prosecutor is required to divert the case if the alleged offense is a misdemeanor or gross misdemeanor, and the alleged offense is the offender's first offense or violation.

When the case is referred to diversion, the juvenile will sign a contract in which the juvenile agrees to fulfill certain obligations in lieu of prosecution. These obligations may include restitution, community service, and counseling as well as other possible obligations. If the offense is very minor, the diversion counselor may counsel the juvenile and release him or her from further obligation. This is known as a counsel and release.

If a diversion contract is signed and the juvenile fails to follow the terms of the contract, the contract may be terminated by the court and the case re-referred to the prosecuting attorney to decide whether to file formal charges and bring the juvenile into the court system.

If the juvenile completes the terms of the contract, the juvenile's obligation ends, and the offense is reflected on the juvenile's criminal history as a diversion.

The juvenile's criminal history in the official juvenile court file is open to the public unless the file has been sealed by court order or destroyed. A person's juvenile record may be destroyed in only the following circumstances:

- (1) if a person who is 18 years of age or older requests the court to destroy his or her record, the criminal history consists of only one diversion, and two years has passed since the diversion was completed;
- (2) if a person who is 23 years of age or older requests the court to destroy his or her record, the criminal history consists of only diversion referrals which have been successfully completed, and there are no criminal proceedings pending against the person; or
- (3) the juvenile justice care agency has developed routine procedures for destroying records when two years have elapsed since the completion of the agreement and the person who is the subject of the information or complaint has turned 23 years of age or older or the person is 18 years of age or older and his or her criminal history consists of only one diversion agreement.

Summary: Subject to statutory requirements regarding retention of identifying information, all juvenile criminal history records maintained by any court or law enforcement agency must be automatically destroyed within 90 days of becoming eligible for destruction. Juvenile records are eligible for destruction when: (1) a person who is the subject of the complaint is at least 18 years of age; (2) his or her criminal history consists entirely of one diversion agreement or counsel and release entered on or after the effective date of this act; (3) two years have elapsed since completion of the diversion

agreement or counsel and release; (4) no proceeding seeking the conviction of a criminal offense is pending against the person; and (5) there is no restitution owing.

A person who is at least 18 years of age and whose juvenile criminal history consists entirely of one diversion agreement or counsel and release prior to the effective date of this act may request that the court order the records in his or her case destroyed. The request must be granted if the court finds that two years have elapsed since completion of the diversion agreement or the counsel and release.

A person who is at least 23 years of age whose juvenile criminal history consists of only referrals for diversion may request a court order to destroy the records in those cases. The request must be granted if the court finds that all diversion agreements have been successfully completed and that no proceeding seeking a conviction of a criminal offense is pending against the person.

Votes on Final Passage:

House	93	0	
Senate	47	0	(Senate amended)
House			(House refused to concur)
House	97	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

HB 1149
C 17 L 08

Eliminating advance property tax payments for binding site plans.

By Representatives O'Brien, Dunn, McCune, Wallace and Simpson.

House Committee on Local Government
Senate Committee on Government Operations & Elections

Background: State Regulation of Land Division Methods. State law (the "Subdivision Act") provides a regulatory scheme containing substantive and procedural requirements governing how local governments administer the division of land within their jurisdictions. The Subdivision Act describes the ways in which land may be divided and provides procedural rules that must be followed by local governments during the land division process. Local governments, in turn, implement local land division ordinances in accordance with the regulatory framework provided by the Subdivision Act.

Typically, land is divided into "subdivisions," consisting of five or more lots/parcels, or "short subdivisions," consisting of four or fewer lots/parcels. Such subdivisions are recorded on a "plat," which is a specialized map containing a schematic representation showing how a subdivision is to be divided into lots, blocks,

streets, alleys, and other types of divisions. The Subdivision Act contains general requirements for platting procedures which must be followed by local governments in creating their platting ordinances.

Binding Site Plans. The Subdivision Act creates an exception to state platting requirements called a "binding site plan," which local governments may adopt as an alternative means of land division for certain types of development projects. "Binding site plan" means a drawing to a scale specified by local ordinance which: (1) identifies and shows the areas and locations of all streets, roads, improvements, utilities, open spaces, and any other matters specified by local regulations; (2) contains inscriptions or attachments setting forth such appropriate limitations and conditions for the use of the land as are established by the local government body having authority to approve the site plan; and (3) contains provisions requiring that any development conform with the site plan.

Some local governments allow developers to file a binding site plan, as opposed to a plat, so as to allow greater flexibility in planning for certain types of development. However, under the Subdivision Act binding site plans can be used as an alternative means of land division with respect to only three categories of land use:

- (1) commercially or industrially zoned property;
- (2) mobile home or travel trailer sites; and
- (3) certain types of condominium developments.

Collection of Property Tax-Related Deposits Following Land Division. Any person who files a plat or binding site plan after May 31 in any year, and prior to the date of the collection of taxes in the ensuing year, must provide the county treasurer with an advance deposit on the next year's property taxes calculated in accordance with a specified formula. Following the filing of the plat or binding site plan, the county assessor must investigate and ascertain the value of each lot and then use this assessment as the basis for the property tax levy rate. When property taxes become due in the ensuing year, the county treasurer must apply the advance tax deposit to the payment of the taxes due and refund any portion of the deposit in excess of the tax levy rate.

Summary: References to a binding site plan are deleted from statutes requiring the payment of advance tax deposits and requiring certain tax assessment procedures related to the filing of a plat. The recording of a binding site plan is no longer conditioned on an advance property tax deposit being made to the county treasurer.

The recording of a binding site plan no longer triggers certain tax assessment procedures applicable to properties identified in a plat, replat, or altered plat.

Votes on Final Passage:

House	97	0
House	97	0
Senate	47	0

Effective: June 12, 2008

2SHB 1273

C 290 L 08

Creating the financial fraud and identity theft crimes investigation and prosecution program.

By House Committee on Insurance, Financial Services & Consumer Protection (originally sponsored by Representatives Roach, Ericks, Hurst, Kirby, Strow, Newhouse, Simpson, Williams, Haler, O'Brien, Moeller, Pearson, VanDeWege, McCune, Kenney, Rolfes and Morrell).

House Committee on Insurance, Financial Services & Consumer Protection

Senate Committee on Financial Institutions & Insurance

Background: The Uniform Commercial Code Program (UCCP) within the Department of Licensing provides lenders a central place for filing notices regarding personal property pledged as collateral for loans. In the event the debtor declares bankruptcy, a filing with UCCP legally establishes the lender as a preferred creditor in relation to other lenders who file against the same collateral.

The UCCP does not provide regulatory functions. It provides services upon request. The UCCP accepts filings of financing statements, agricultural liens, and various federal liens. The UCCP provides certified searches of its records. The duties and responsibilities of the UCCP are ministerial. In accepting for filing or refusing to file a document, the UCCP does not do any of the following:

- determine the legal sufficiency or insufficiency of a document;
- determine that a security interest in collateral exists or does not exist;
- determine that any information in the document is correct or incorrect; or
- create a presumption that any information in the document is correct or incorrect.

The UCCP is fee-supported. The UCCP filing fees are \$15 for paper filings and \$8 for electronic filings.

Summary: The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program (Program) is created in the Department of Community, Trade and Economic Development (DCTED). Two regional financial fraud and identity theft crime task forces are created. One task force includes King and Pierce counties and the second includes Spokane County. A representative of the Attorney General is a member of each task force. The DCTED must appoint members for each task force that represent local law enforcement, county prosecuting attorneys, and financial institutions. The task forces must:

- hold regular meetings to discuss emerging trends and threats of local financial fraud and identity theft crimes;
- set priorities for the activities of the task forces;

- apply to the DCTED for funding to hire prosecutors and law enforcement personnel dedicated to investigating and prosecuting financial fraud and identity theft crimes;
- establish outcome-based performance measures; and
- report twice annually to the DCTED on the activities of the task force.

Financial Fraud and Identity Theft Crimes. "Financial fraud and identity theft crimes" include those crimes that involve:

- check fraud;
- chronic unlawful issuance of bank checks;
- embezzlement;
- credit/debit card fraud;
- identity theft;
- forgery;
- counterfeit instruments such as checks or documents;
- organized counterfeit check rings; and
- organized identification theft rings.

The Account. The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program Account (Account) is created in the State Treasury as an appropriated account. The Account may receive funds from appropriations, surcharges on UCCP filings, federal funds, gifts, and grants. Expenditures from the Account may be used only to support the activities of the task forces and program expense of the DCTED. The expenses of DCTED may not exceed 10 percent of the amount appropriated.

Funding the Account. There are surcharges placed on UCCP filings to fund the Account. The surcharge on paper filings is \$8 for a total filing fee of \$23 for a paper filing. The surcharge on electronic filings is \$3 for a total filing fee of \$11 for an electronic filing.

Expiration Date. The Act expires on July 1, 2015.

Votes on Final Passage:

House	95	1	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	96	1	(House concurred)

Effective: June 12, 2008

EHB 1283

C 185 L 08

Authorizing high school diplomas to be issued to persons who left high school before graduation to serve in the United States armed forces.

By Representatives Roach, McDonald, Morrell, Rolfes, Kelley, Skinner, Orcutt, Priest, Takko, Conway, Appleton, Newhouse, Haler, Moeller, VanDeWege, McCune, Roberts and Springer.

House Committee on Education
Senate Committee on Early Learning & K-12 Education

Background: School districts are authorized to issue a high school diploma to a person who:

- is an honorably discharged member of the armed forces of the United States;
- was scheduled to graduate from high school from 1940 through 1955; and
- left high school before graduation to serve in World War II or the Korean conflict.

Eligible veterans who hold a high school equivalency certification may still receive a diploma, and diplomas may be issued posthumously.

To obtain a high school diploma, a veteran, or a person acting on behalf of a deceased veteran, must complete an application form and submit discharge papers that verify the veteran's military service and honorable discharge. Applications may be submitted to the high school the veteran would have graduated from, a high school in the veteran's local community, or a high school with which the veteran has substantial ties.

Summary: School districts may issue high school diplomas to all honorably discharged veterans who left high school before graduation to serve in World War II, the Korean Conflict, or the Vietnam era.

Votes on Final Passage:

House	96	0
House	97	0
Senate	49	0

Effective: June 12, 2008

HB 1391

C 50 L 08

Clarifying that councilmembers are eligible to be appointed to the office of mayor.

By Representatives Eddy, Ross, Curtis, Jarrett, Morrell and B. Sullivan.

House Committee on Local Government
Senate Committee on Government Operations & Elections

Background: Forms of Government and City Classification. Cities and towns in Washington are classified by the estimated total population at the time of organization, incorporation, or reorganization. Four classifications of municipal government exist in statute: first class cities; second class cities; towns; and optional municipal code cities (code cities).

Municipalities determine the form of government by which administrative, legislative, and policy actions within their jurisdiction are implemented. The municipal forms of government found in Washington include:

- *Mayor-Council.* The policy and administrative duties of a mayor-council form of government remain separate from each other. Legislative and policy-making powers are vested in the city council, while administrative authority is vested in the mayor. Mayors also possess veto power in first class cities, second class cities, and code cities.
- *Council-Manager.* Legislative and policy-making powers of a council-manager form of government are vested in the city council. A city manager is appointed as the head of the administrative branch and carries out the policies and plans developed by the council. A mayor is selected by the city council from either among its members or by election.
- *Commission.* Executive and legislative authority in a commission form of government are combined into one elected body. Commissioners are authorized to determine the powers and duties of all officers and employees of each department by ordinance. Each commissioner administers a department, including the mayor, and only possesses administrative authority over his or her respective department.

Vacancies. Statute governs the procedures for filling elected or appointed officials' vacancies. The procedures vary depending on whether the elective position is in a nonpartisan or partisan office, the classification of the city or town, and the form of government utilized by the jurisdiction. Statutory provisions directing the filling of mayoral vacancies in the following do not authorize the appointment of incumbent councilmembers:

- second class cities;
- second class cities operating under a mayor-council form of government;
- towns; and
- code cities operating under a mayor-council form of government.

Statute also governs procedures for filling vacant mayor pro tempore and mayor positions in second class cities. The members of the city council of a second class city must, at its first meeting each calendar year and whenever a vacancy occurs in the office of mayor pro tempore, elect from among their number a mayor pro tempore. Additionally, if a vacancy occurs in the office of mayor, the city council at its next regular meeting must elect from among their number a mayor who serves

until a mayor is elected and certified at the next municipal election.

Summary: Statutory provisions directing the filling of mayoral vacancies in the following are modified to allow the appointment of incumbent councilmembers:

- second class cities;
- second class cities operating under a mayor-council form of government;
- towns; and
- code cities operating under a mayor-council form of government.

A requirement is deleted obligating councils of second class cities to, at the first regular meeting following a vacancy in the office of mayor, appoint a councilmember to fill a vacancy.

Votes on Final Passage:

House	93	0
House	93	0
Senate	49	0

Effective: June 12, 2008

SHB 1421
C 18 L 08

Modifying address confidentiality program provisions.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Green, Miloscia, Kretz, Armstrong, Appleton, Kessler, Ormsby, Warnick and Moeller; by request of Secretary of State).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The Address Confidentiality Program (ACP) allows victims of domestic violence, sexual assault, or stalking to have an alternative address designated as his or her substitute mailing address. The ACP also allows state and local agencies to comply with requests for public records without disclosing the confidential location of a victim.

In order to become a participant in the ACP, a person must submit an application to the Secretary of State (Secretary). The Secretary must approve any application that includes:

- a sworn statement from the applicant that he or she is a victim of domestic violence, sexual assault, or stalking, and fears for his or her safety or the person's children's safety;
- a designation of the Secretary as the applicant's agent for purposes of service of process and receipt of mail;
- the mailing address and phone number where the applicant can be contacted by the Secretary;

- the address that the applicant requests be kept confidential; and
- the applicant's signature.

Applicants are certified as program participants for four years, subject to renewal, withdrawal, or invalidation.

A program participant who is qualified to vote may apply to receive ongoing absentee ballots for all elections in the jurisdiction for which that participant resides. The county auditor (auditor) is required to send absentee ballots to the participant at the address designated by the participant in his or her absentee ballot application. The auditor may not release the participant's address pursuant to a public records request except when the request is by a law enforcement agency or pursuant to court order. The name and address of a program participant is excluded from any list of registered voters available to the public. Other than the alternate address designated by the Secretary, information in the participant's file is not subject to disclosure except in the following circumstances: if the request is made by a law enforcement agency or directed by court order, or for purposes of verifying that a person is a participant in the ACP.

The Secretary may cancel a person's participation in the ACP if the participant's residential address changes and he or she fails to give the Secretary at least seven days notice of the address change, or if mail forwarded by the Secretary to the participant is returned as non-deliverable. The Secretary must cancel a person's participation in the ACP if the participant changes his or her name or if the participant provides false information in the application.

Summary: A definition for "stalking" is added to the ACP statute. "Stalking" has the same meaning as used in the criminal statutes on harassment, and also includes the threat of being stalked, regardless of whether the acts of stalking or threats of stalking have been reported to law enforcement officers.

A person who applies to participate in the ACP must include an address where the applicant can be contacted by the Secretary.

The Secretary may cancel a person's participation in the ACP if there is a change in the person's residential address but he or she fails to notify the Secretary in writing within at least two days of the address change. A participant in the ACP loses certification as a participant if he or she obtains a legal change of identity.

Except for the address designated by the Secretary, a participant's records may only be released by the Secretary and pursuant to court order.

The sworn statement by the applicant for the ACP is made under penalty of perjury. If applicable, a sworn statement is made, also under the penalty of perjury, by the applicant for the ACP that the applicant has reason to believe he or she is a victim of domestic violence, sexual

assault, or stalking perpetrated by an employee of a law enforcement agency.

If requested by a law enforcement agency, the Secretary may make a participant's file available to the law enforcement agency if the participant did not indicate that the perpetrator of the domestic violence, sexual assault, or stalking was a law enforcement employee. This request must be in accordance with official law enforcement duties, be in writing on official law enforcement letterhead, and signed by the law enforcement agency's chief officer or designee. The Secretary may make a participant's file available under court order, to the person identified in the order, if the request is made by a non-law enforcement agency or when the participant's file indicates he or she has reason to believe the perpetrator of the domestic violence, sexual assault, or stalking is a law enforcement employee.

A court order for the ACP program participants may only be issued upon a probable cause finding by a judicial officer that the release of the ACP participant's information is legally necessary in the course of a criminal investigation or prosecution, or to prevent the immediate risk to a minor and meets the statutory requirements of Washington's child welfare system.

Obsolete references to "service voter" are replaced with current "absentee voter" designations.

Votes on Final Passage:

House	96	0
House	96	0
Senate	49	0

Effective: June 12, 2008

HB 1493

C 42 L 08

Clarifying the definition of development activity in respect to construction by a regional transit authority.

By Representatives Hudgins, Simpson, Jarrett, B. Sullivan, Rodne, McCoy, Sells and Kenney.

House Committee on Transportation
Senate Committee on Transportation

Background: Counties, cities, and towns that plan under the major provisions of the Growth Management Act are authorized to impose impact fees on development activity as part of the financing of certain public facilities. Impact fees are payments of money required of developers as a condition of development approval. The fees apply to both new development and the expansion of existing development.

"Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land that creates additional demand and need for public facilities.

The public facilities for which the impact fees may be imposed and spent are limited to the following capital facilities that are owned or operated by government entities: public streets and roads; publicly-owned parks, open space, and recreation facilities; school facilities; and fire protection facilities in jurisdictions that are not part of a fire district.

In addition to the limitation that impact fees may only be imposed with respect to certain facilities, such fees:

- may only be imposed for system improvements that are reasonably related to the new development;
- may not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and
- must be used for system improvements that will reasonably benefit the new development.

Local ordinances imposing impact fees must include a schedule of fees specific to each type of development activity. The method of fee calculation must take into account the type of development in determining the cost of its anticipated impact.

Summary: With regard to development activity that may be subject to local impact fees, the definition of "development activity" is modified to expressly exclude construction of buildings or structures by a regional transit authority, thereby clarifying that such construction is not subject to local impact fees.

Votes on Final Passage:

House	94	1
Senate	39	10

Effective: June 12, 2008

E2SHB 1621

C 116 L 08

Preserving manufactured/mobile home communities.

By House Committee on Finance (originally sponsored by Representatives B. Sullivan, Sells, Morrell, Lovick, Ormsby, Miloscia, Springer, McCoy, Sullivan, Hasegawa, O'Brien, Roberts, Conway, Wood, Haigh, Rolfes and Simpson).

House Committee on Housing
House Committee on Finance
Senate Committee on Consumer Protection & Housing

Background: Manufactured/Mobile Home Community Closures. The state has noted a recent increase in the rate of manufactured/mobile home community closures, primarily attributable to increasing market demands for land in Washington, particularly in high growth areas. According to data provided by the Department of Community, Trade and Economic Development (DCTED), 18 manufactured/mobile communities closed during

calendar year 2007, the closure of which affected 534 households.

Approximately 1,000 existing communities are located in urban growth areas and are considered likely threatened due to rising land values within those areas. The DCTED reports knowledge of 846 spaces that will close within the next year and estimates that 254 of these households will request state relocation reimbursement assistance.

Manufactured/Mobile Home Community Right of First Refusal Law. A Washington law enacted in 1993 provided for a right of first refusal for a qualified tenant organization. Under that statute, a park owner was required to notify a qualified tenant organization of a pending sale of the park. The qualified tenant organization would have 30 days after that notice was received to tender a fully executed purchase and sale agreement at least as favorable to the park owner as the original agreement.

This statute was declared invalid, however, in *Manufactured Housing Communities of Washington v. State*, 142 Wash.2d 347 (2000). The Washington Supreme Court held that the right of first refusal is a fundamental attribute of ownership and a valuable property right of mobile home park owners, and that the statutory forced transfer of this right constitutes a taking under the Washington Constitution.

Summary: Office of Mobile Home Affairs. The Office of Mobile Home Affairs, within the DCTED, provides assistance to manufactured/mobile home tenants, landlords and resident organizations, and administers the mobile home relocation assistance program.

"Notice of Sale" Requirement. A landlord selling a manufactured/mobile home community must file a notice of sale within 14 days of advertisement of the sale to community tenants, tenant organizations, the Office of Manufactured Housing, the appropriate local government and Housing Authority, and the Washington State Housing Finance Commission. The notice must include contact information for the landlord.

Voluntary Qualified Sale of a Manufactured/Mobile Home Community. Sales of a manufactured/mobile home community to a qualified tenant organization or an eligible organization are "qualified sales" and are exempt from the state and local real estate excise tax (REET). The REET exemption expires December 31, 2018.

Good Faith Negotiations. Landlords are encouraged to negotiate in good faith with qualified tenant organizations and eligible organizations.

Eligible Organizations. Eligible organizations include local governments, housing authorities, non-profit organizations, Indian tribes, and statewide non-profit housing assistance organizations.

Office of Manufactured Housing. The name of the "Office of Mobile Home Affairs" is changed to the "Office of Manufactured Housing." This office must

provide technical assistance to tenant organizations, among others.

Other Provisions. If any provision of this act is held invalid, the remainder of the act is not affected.

The Right of First Refusal Law is repealed.

Votes on Final Passage:

House	94	0	
Senate	46	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

ESHB 1623
C 55 L 08

Concerning fees for easements on state-owned aquatic lands.

By House Committee on Technology, Energy & Communications (originally sponsored by Representative Morris).

House Committee on Technology, Energy & Communications
Senate Committee on Natural Resources, Ocean & Recreation

Background: State Aquatic Lands. The Department of Natural Resources (DNR) is responsible for managing state-owned aquatic lands for the benefit of the public. The DNR manages over 2 million acres of tidelands, shorelands, and beds of navigable rivers and lakes, along with the beds below the Puget Sound. The management of state-owned aquatic lands must support a balance of goals, including the encouragement of public access, the fostering of water-dependent uses, the utilization of renewable resources, environment protection, and the generation of revenue.

Right-of-Way for Public Utility Lines. The DNR may grant a right-of-way over or through state-owned aquatic lands for public utility lines. Public utility lines mean pipes, conduits, and similar facilities for distribution of water, electricity, natural gas, telephone, other electronic communication, and sewers.

Direct Administrative Costs. The DNR may recover from governmental and non-governmental entities its direct administrative costs incurred in processing and reviewing such requests, and in reviewing construction plans. Direct administrative costs means the cost of hours worked directly on an application or request, based on salaries and benefits, plus travel reimbursement and other actual out-of-pocket costs.

Non-Governmental Easement Crossing Charge. In addition to its direct administrative costs, the DNR may recover from non-governmental entities a charge for each individual easement crossing, based on the length of the easement.

For public utility lines owned by a non-governmental entity, easement charges are as follows:

- \$5,000 for easement crossings up to one mile;
- \$12,500 for crossings between one and five miles; or
- \$20,000 for easement crossings more than five miles.

The easement term is 30 years, with easement charges adjusted annually based on the increase in the consumer price index.

The rate structure for non-governmental entities expires July 1, 2008.

Application Process. The DNR must make a final decision on easement applications within 120 days after receiving the application and after the applicant has acquired all applicable permits. At the request of an applicant, the DNR may process the application within 60 days and charge an expedited processing fee. The processing fee is the greater of: 10 percent of the combined total of the easement crossing charge and direct administrative costs; or the cost of staff overtime, calculated at a rate of time and a half, associated with expedited processing.

State-Owned Aquatic Land Revenues. All revenues generated from state-owned aquatic lands are deposited into either the Resource Management Cost Account (RMCA) or the Aquatic Lands Enhancement Account (ALEA), depending on the type of land on which the activity occurs. For beds of navigable rivers and lakes, and beds below the Puget Sound, the revenues are divided evenly between the two accounts. For all other state-owned aquatic lands, 75 percent of revenues are deposited into the ALEA and 25 percent are deposited into the RMCA.

Resource Management Cost Account. The RMCA was created for the purpose of defraying the costs and expenses incurred by the DNR in managing and administering state lands and aquatic lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights-of-way. Appropriations from the RMCA to the DNR must be expended for no other purposes.

Aquatic Lands Enhancement Account. The ALEA was established to ensure that money generated from aquatic lands is used to protect and enhance those lands. Funds must be used for: aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects.

Summary: Administrative Costs Recovery. For public utility lines owned by non-governmental entities, the DNR may recover administrative costs equal to 20 percent of the non-governmental easement crossing charge. For government entities, the DNR may recover an amount based on what the easement crossing charge would have been if the entity was subject to the charge.

Where a single easement authorizes multiple utility lines, the administrative fee is based on the easement charge for the single longest line. When multiple public utility lines are owned by the same entity and are authorized under the same easement, the administrative charge for the easement crossing is equal to 20 percent of the easement fee for the single longest public utility line.

Term of Easement. The DNR may provide a term of easement for a period of less than 30 years, if requested by the person or entity seeking the easement.

Expedited Permitting. The fee for an expedited processing of an application is 10 percent of the combined total of the easement crossing charge plus administrative costs.

Termination Date. The DNR's statutory authority to recover administrative costs expires on July 1, 2017.

Legislative Review. By December 31, 2016, the Legislature must review whether the DNR is processing easement applications within required time limits, and whether the granting of public utility line easements generates reasonable income for the ALEA.

Votes on Final Passage:

House	94	0
Senate	48	1

Effective: June 12, 2008

2ESHB 1637

C 139 L 08

Creating the revised uniform anatomical gift act.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Hinkle, Cody, B. Sullivan, Moeller, Campbell, Williams, Green, Lovick, Uptegrove, Seaquist, Goodman, Simpson, Morrell, Linville, Ormsby and Rolfes).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Laws Addressing Organ Transplants. In 1968 the National Conference of Commissioners on Uniform State Laws adopted the Uniform Anatomical Gift Act (UAGA) to address, in part, the shortage of organs for transplants. This version of the UAGA was adopted by all the states. When the UAGA was revised in 1987 (UAGA of 1987), 26 jurisdictions adopted it, including Washington in 1993. The UAGA was again revised in 2006.

Since the adoption of the UAGA, the U.S. Congress established the Organ Procurement and Transplantation Network (Network) under the National Organ Transplant Act of 1984. The procurement organizations in the service area in which a donor lives are responsible for recovering the donated parts, to be allocated as determined by the Network.

The Washington UAGA of 1987. *Donors.* The UAGA of 1987 specifies the persons who are permitted to make anatomical gifts (persons over 18, or over 16 with a parent's signature) or refusals to make gifts, and the methods by which such gifts or refusals are made, including through signed documents and imprinted driver's licenses. It also specifies the methods by which revocations of gifts or refusals may be made, including a witnessed oral statement or communication during a terminal illness.

Certain persons are allowed, in order of priority, to make anatomical gifts on behalf of a decedent, including guardians, certain relatives, and persons with a health care power of attorney, unless the decedent has made an unrevoked refusal to make that gift.

Donees. Anatomical gifts may be made to (1) individuals for transplantation or therapy, (2) hospitals, physicians, or procurement organizations for transplantation, therapy, education, research, or the advancement of science, or (3) accredited colleges and universities for education, research, or the advancement of science. Hospitals are allowed to accept donations that are rejected by a donee.

Identifying Donors. Hospitals must have procedures for identifying potential anatomical parts donors, including asking the next of kin if the deceased was a donor and discussing donation options with them. Hospitals and coroners or medical examiners must also make reasonable searches of patients or persons within their jurisdiction, respectively, for gift donor documentation.

Organ and Tissue Donor Registry. In 2003 the Organ and Tissue Donor Registry was established in Washington. The Department of Licensing is required to transfer organ donor information from driver's licenses to the registry.

Violations. It is a Class C felony to knowingly purchase or sell, for valuable consideration, a part for transplantation or therapy, if the removal of the part is intended to occur after death.

Immunity. There is both civil and criminal immunity for persons who act in accordance with the UAGA of 1987, or attempt to do so in good faith.

Summary: The Uniform Anatomical Gift Act of 1987 is repealed, and the Uniform Anatomical Gift Act of 2006 is adopted, with some revisions.

Anatomical Gift Donors. The list of persons who may make gifts of a donor's body or parts during the donor's life is expanded to include:

- adults, emancipated minors, or minors reaching age 15 and one-half who are authorized to apply for a driver's license;
- agents of a donor, unless prohibited by a health care power of attorney;
- parents of an unemancipated minor; or
- a donor's guardian.

A gift made by a parent of an unemancipated minor is not valid once the minor becomes emancipated or an adult.

Gifts may be evidenced by:

- a statement or symbol on a driver's license;
- a will;
- a communication during a terminal illness to at least two persons, one of whom is disinterested; or
- a signed donor card or other record for a donor registry.

For signatures, electronic symbols may be used in addition to written signatures.

An anatomical gift document is valid if executed according to these provisions or the laws of another state or country where executed or where the donor is domiciled, had a place of residence, or was a national at the time of execution of the document.

There is a presumption that an anatomical gift document is valid, unless the person knows that it was not validly executed or was revoked.

In the absence of express contrary indication of the donor, a person other than the donor is prohibited from making, amending, or revoking an anatomical gift that the donor made.

Gift Revocation. An anatomical gift may be revoked or amended by:

- a signed record;
- a later executed document, expressly or by inconsistency;
- the destruction or cancellation of the document of gift, but the registry must be notified;
- by a communication during a terminal illness to at least two persons, one of whom is disinterested; or
- if in a will, by amendment of the will.

A donor's revocation of an anatomical gift is not a refusal to be a donor and does not bar another authorized person from making an anatomical gift of the body or part.

Refusal to be an Anatomical Gift Donor. In the absence of express contrary indications, an individual's unrevoked refusal to make a gift bars all other persons from making a gift of the individual's body or part.

Anatomical Gift Donations on Behalf of a Decedent. The classes of specified persons who can make gifts of a decedent's body or parts is expanded to include these additional persons:

- an agent authorized to make the gift;
- a state registered domestic partner;
- adult grandchildren; and
- other persons having legal authority to dispose of the body.

The order of priority is changed to make guardians the last priority, except for persons with legal authority to dispose of the body.

A gift may be made by specified persons on behalf of a decedent after another such gift has been revoked. Any member of a class may make a gift, unless objections from other members of the class are known, and then the majority of persons in the class may make the gift. Revocation may be made by a person in a higher class of priority unless a majority of persons in the higher class agree to the gift, but the revocation is effective only if the entity or person removing the body part knows before transplant procedures have begun.

Parents of an unemancipated minor who dies may revoke or amend an anatomical gift or a gift refusal.

Donees of Anatomical Gifts. Donees of anatomical gifts may be:

- for research or education: hospitals, accredited medical or dental schools, colleges or universities, or organ procurement organizations;
- an individual who will be the recipient of the part; and
- eye or tissue banks.

If a body part cannot be used by the donee or a donee is not named, there are provisions to specify to whom the body part passes. Priority is given to transplantation or therapy, over education or research, in certain situations.

Organ Procurement Organizations. An organ procurement organization, when a hospital refers an individual at or near death, must make a reasonable search of Department of Licensing records or any donor registry to ascertain whether the person has made an anatomical gift. The organ procurement organization must be given reasonable access to records. A provision requiring hospitals to identify potential donors is repealed.

The organ procurement organization must:

- on the death of a minor, unless known to be emancipated, make a reasonable search for the parents and provide them with an opportunity to revoke or amend any gift or refusal of gift; and
- on referral of a patient by a hospital, make a reasonable search for persons with priority to make a gift on behalf of a prospective donor.

When English is not the first language of a person making, revoking, or changing an anatomical gift, organ procurement organizations must provide, at no cost, appropriate interpreter services.

If a prospective donor has a declaration or advance health directive that conflicts with the terms of a potential gift regarding use of measures to ensure medical suitability of a part for transplantation or therapy, the donor (or, if not able, an agent or other similarly authorized person) and the donor's physician must confer to resolve the conflict. Before resolution of the conflict, necessary measures to ensure medical suitability of the part may not be withheld if withholding is not contraindicated by appropriate end of life care.

Coroner or Medical Examiner Procedures. Specific requirements are established for coroners and medical

examiners to cooperate with organ procurement organizations to maximize opportunities for recovering anatomical gifts, to the extent such cooperation does not interfere with timely death investigations. The coroner or medical examiner may limit the number of organ procurement organizations with which he or she cooperates. Organ procurement organizations must cooperate with the coroner or medical examiner to ensure the preservation and timely transfer of evidence from a prospective donor that is required for a death investigation.

Coroners or medical examiners may release initial investigative information to an organ procurement organization to determine suitability of the potential donor. This information must remain confidential, and the coroner or medical examiner is not liable for any release of confidential information.

For bodies under the coroner's or medical examiner's jurisdiction, a body part may not be removed, unless released by the coroner or medical examiner, or a body delivered for research or education, unless the part is the subject of a gift. If a part is released, the organ procurement organization must, if requested, cause a record to be made with information that would assist in the death investigation.

If the coroner or medical examiner initially believes that the recovery of a part could interfere with postmortem investigation or the collection of evidence, the coroner or medical examiner may consult with the organ procurement organization about the proposed recovery and, after consultation, may release the part.

Illegal Activities. In addition to existing penalties, it is a Class C felony to intentionally falsify, forge, or obliterate a document of gift or refusal of gift for financial gain.

Immunity for Good Faith Actions. Additional immunity in civil or criminal proceedings is granted. A person may rely on the representations of the individuals specified to make gifts on behalf of the deceased as to their relationship with the deceased, unless the person knows that the representation is untrue.

Application Provisions. These provisions apply to all anatomical gifts, refusals to make gifts, or revocations of gifts, whenever made.

With respect to electronic signatures and anatomical gifts, these provisions supercede certain requirements of the federal Electronic Signatures in Global and National Commerce Act that federal law permits to be superceded.

Votes on Final Passage:

House	98	0	
House	96	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 12, 2008

3SHB 1741
PARTIAL VETO

C 222 L 08

Transferring the legislative oral history program from the secretary of state to the legislature.

By House Committee on Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Hunt, Skinner and Conway).

House Committee on State Government & Tribal Affairs
House Committee on Appropriations Subcommittee on
General Government & Audit Review
Senate Committee on Government Operations & Elections

Background: The Oral History Program (Program) is administered by the Office of the Secretary of State (SOS) at the direction of the Oral History Advisory Committee (Committee). The purpose of the Program is to record and document oral histories of current and former members and staff of the Legislature, current and former state government officials and personnel, and other citizens who have participated in the political history of the state.

The Committee consists of four members of the House of Representatives, two from each major caucus; four members from the Senate, two from each major caucus; the Chief Clerk of the House of Representatives (Chief Clerk); the Secretary of the Senate (Secretary); and the SOS. The Committee selects persons to be interviewed, decides which transcripts should be published, and advises the SOS on various other processes and program administration. The SOS must contract with independent oral historians and through the history departments of the state universities for conducting and recording the interviews. Transcripts and photographs may be published for distribution to libraries and for sale to the public.

Summary: The Oral History Program is transferred in part to the Secretary and the Chief Clerk and named the Legislative Oral History Program (Program). The purpose of the Program is to conduct oral histories of current and former members and staff of the Legislature and other citizens who have participated in the political history of the state.

The SOS must conduct oral histories of former members and staff of the Washington state executive and judicial branches of government and other citizens who have participated in the political history of the state. Renamed the Washington Legacy Project (Legacy Project), the Program will serve as a repository for oral histories related to community, family, and other various projects. The SOS may create an advisory council to provide advice and guidance on matters pertaining to operating the Legacy Project.

The Oral History Committee is transferred to the Secretary and the Chief Clerk and renamed The Legislative Oral History Committee (Committee). The Committee maintains its current function and duties. The SOS is no longer a member of the Committee. Ex officio members may be appointed by a majority vote of the Committee's members and the chair of the Committee is elected by a majority vote of the Committee members.

In the event an interview candidate has occupied positions in multiple branches of government, the interview shall be conducted according to the last position held by the candidate, except that the candidate may select which program he or she wishes to prepare his or her oral history.

The Legislative Oral History Account (Account) is created in the custody of the State Treasurer and expenditures from the Account may only be made for purposes of the Program and may only be authorized by the Secretary and the Chief Clerk or their designees. The Secretary and the Chief Clerk may solicit and accept donations for purposes of conducting oral histories.

Votes on Final Passage:

House	95	0	
House	95	0	
Senate	33	14	(Senate amended)
House	92	1	(House concurred)

Effective: June 12, 2008

Partial Veto Summary: The Governor vetoed Section 16 of the act containing a null and void clause.

VETO MESSAGE ON 3SHB 1741

March 28, 2008

*To the Honorable Speaker and Members,
The House of Representatives of the State of Washington*

Ladies and Gentlemen:

I am returning, without my approval as to Section 16, Third Substitute House Bill 1741 entitled:

“AN ACT Relating to the oral history program.”

Sections 1 through 15 of this bill transfer the legislative portion of the Oral History Program, now called the Legislative Oral History Project, from the Office of the Secretary of State to the Legislature. The Secretary of State will continue to conduct and record histories of the Washington state executive and judicial branches, the state's congressional delegation, and other citizens who have participated in the political history of the state under a new program called the Washington State Legacy Project.

Section 16 would declare this act null and void if funding were not provided specifically for this measure in the omnibus appropriations act. The bill provides for funding for legislative oral history projects to come from proceeds from the Legislative Gift Center. The scope of oral history projects conducted can vary depending upon the resources available.

In order to preserve the policy in the bill, I am vetoing Section 16 to permit the bill to become law even if the money is removed from the budget.

For this reason, I have vetoed Section 16 of Third Substitute House Bill 1741.

With the exception of Section 16, Third Substitute House Bill 1741 is approved.

Respectfully submitted,



Christine Gregoire
Governor

E2SHB 1773
C 122 L 08

Concerning the imposition of tolls.

By House Committee on Transportation (originally sponsored by Representatives Clibborn and Jarrett).

House Committee on Transportation
Senate Committee on Transportation

Background: The Tacoma Narrows Bridge began collecting tolls in 2007, and the State Route 167 high-occupancy toll lanes project is scheduled to begin collecting tolls in the spring of 2008. In both cases, the Washington State Transportation Commission (Transportation Commission) is responsible for fixing the rates for the tolls and is empowered to utilize variable or time of day pricing in fixing these tolls.

The Transportation Innovative Partnership Act of 2005 (SHB 1541), required the Transportation Commission to conduct a statewide tolling feasibility study. The study explored the imposition of tolls on a series of illustrative examples, conducted attitude research regarding tolling with Washington voters, and proposed a series of policies to guide the imposition of tolling throughout the state.

The tolling study's proposed general policy regarding tolling was that Washington should use tolling to encourage effective use of the transportation system and to provide a supplementary source of transportation funding. In addition to policies elaborating on this overall direction, the tolling study also suggested that the Transportation Commission should develop policies and criteria for tolling and set toll rates. The Washington State Department of Transportation (WSDOT) was proposed as the entity responsible for planning, developing, operating, and administering toll projects and toll operations. Finally, the study suggested that toll collection systems throughout the state should be simple, unified, and interoperable and should avoid the use of toll booths.

Summary: The intent section, in addition to laying out a general approach to tolling, explains the role that the Legislature intends the budget and toll authorization process to play in controlling the expenditure of toll revenues.

A new subchapter is created to clarify that the new statutory sections created in the act regarding the imposition of tolling apply only to projects first authorized after July 1, 2008, and do not apply to the Washington State Ferries system.

The Legislature is designated as the only entity with the authority to impose tolls on an eligible toll facility, which is defined as sections of the state highway system identified by the Legislature, unless that authority is otherwise delegated.

All revenue from an eligible toll facility must be used only to improve, preserve, maintain, manage, or operate the eligible toll facility on or in which the revenue is collected. Toll revenues may be spent only to: cover operating costs, including maintenance, preservation, administration, and toll enforcement by public law enforcement; meet obligations for the payment of debt; meet any other funding obligations for projects or operations on the eligible toll facility; provide for the operation of conveyances of people or goods; and fund improvements to the eligible toll facility.

Any proposal for the establishment of an eligible toll facility must consider the following modified policy guidelines originally suggested by the Transportation Commission tolling study:

- **Overall Direction.** Washington should use tolling to encourage effective use of the transportation system and provide a source of transportation funding.
- **When to Use Tolling.** Tolling should be used when it can be demonstrated to contribute a significant portion of the cost of a project that cannot be funded solely with existing sources or optimize the performance of the transportation system. Such tolling should in all cases be fairly and equitably applied in the context of the statewide transportation system and not have significant adverse impacts through the diversion of traffic to other routes. The social, environmental, and economic effects of the tolling should be considered, and the tolling should be directed at making progress toward the state's greenhouse gas reduction goals.
- **Use of Toll Revenue.** Toll revenue should be used only to improve, preserve, manage, or operate the eligible toll facility on or in which the revenue is collected and should encourage the inclusion of recycled and reclaimed construction materials.
- **Setting Toll Rates.** Toll rates, which may include variable pricing, must be set to meet anticipated funding obligations. To the extent possible, the toll rates should be set to optimize system performance, recognizing necessary trade-offs to generate revenue.
- **Duration of Toll Collection.** Because transportation infrastructure projects have costs and benefits that extend well beyond those paid for by initial construction funding, tolls may remain in place to fund additional capacity, capital rehabilitation, maintenance, and operations, and to optimize performance of the system.

The Transportation Commission may create a tolling advisory committee (TAC) for any eligible toll facility.

The nine members of a TAC are appointed by the Transportation Commission, and all members must be permanent residents of the affected project area. The TAC serves in an advisory capacity on all matters related to the imposition of tolls. If a TAC is created, the Transportation Commission must consider its recommendations.

The Transportation Commission is established as the state tolling authority and has the authority to set toll rates, including variable pricing, and review toll operations. In determining toll rates, the Transportation Commission must consider the guidelines established in the act and ensure that the toll rates will generate sufficient revenue to cover operating costs of an eligible toll facility, meet obligations for the repayment of debt, and meet any other obligations for a proportionate share of funding for projects or operations on the eligible toll facility.

On all tolling projects, the WSDOT is required to use and administer toll collection systems that are simple, unified, and interoperable, and that avoid the use of toll booths. The WSDOT is also required to set standards for all toll facilities in the state.

Cities, towns, and ports are required to get approval from the tolling authority before imposing or changing tolls that would have a significant impact on the operation of a state facility.

Regional transportation improvement districts and transportation benefit districts are required to obtain approval from the Legislature for tolls on state routes and from the tolling authority for tolls or changes in tolls that impact state routes.

The Transportation Innovative Partnership Program is modified to require legislative approval before the imposition of tolls.

A number of changes to other existing statutes are made in order to insure consistency with these provisions and with current practices related to the operation and authority of the Transportation Commission and the WSDOT.

A toll collection account is created to contain pre-paid customer tolls prior to the utilization of the funds to pay for tolls on a particular facility.

Votes on Final Passage:

House	59	35	
Senate	29	19	(Senate amended)
House	60	33	(House concurred)

Effective: June 12, 2008
 March 25, 2008 (Sections 23 and 24)

ESHB 1865
PARTIAL VETO

C 43 L 08

Limiting the obligations of landlords under writs of restitution.

By House Committee on Judiciary (originally sponsored by Representatives Williams, O'Brien, Springer, Fromhold, Warnick and McCune).

House Committee on Judiciary
 Senate Committee on Consumer Protection & Housing

Background: The Residential Landlord-Tenant Act (RLTA) governs the relationship between landlords and tenants of residential dwelling units, establishes the duties and liabilities of the parties, and provides procedures for each side to enforce its rights.

The RLTA provides a court process, called an unlawful detainer action, for a landlord to evict a tenant. The landlord must serve the tenant with a summons and complaint of the unlawful detainer action, which must designate a specific date by which the tenant must respond. The landlord may also request a show cause hearing directing the tenant to appear in court and show why a writ of restitution (an order directing the sheriff to physically evict the tenant) should not be issued.

If the court issues a writ of restitution, the sheriff must deliver a copy of the writ to the tenant, informing the tenant that he or she can be physically removed from the premises after a certain date. The sheriff must also give the tenant a written notice informing the tenant what can happen to the tenant's personal property if it is not removed by the date of the eviction.

When the sheriff executes the writ, the landlord may enter and take possession of the tenant's property left on the premises and store the property in any reasonably secure place. If the tenant objects to the storage of the property, the landlord must deposit the property onto the nearest public property. If the tenant is not present at the time of eviction, it is presumed that the tenant does not object to storage.

The tenant is liable for the actual or reasonable moving and storage costs, whichever is less. If the cumulative value of the property is over \$50, the landlord may sell or dispose of the property (including personal papers, family pictures, and keepsakes) after 45 days from the date the landlord mails or personally delivers notice of the sale or disposal to the tenant. If the cumulative value of the property is \$50 or less, the landlord may sell or dispose of the property (except for personal papers, family pictures, and keepsakes) after seven days following the notice to the tenant of the pending sale or disposal. The landlord may apply any income from the sale to the costs of moving and storage, and then must hold any excess income from the sale for the tenant up to a year.

Recently, the Washington Court of Appeals interpreted the statute to mean that a landlord has an affirmative duty to store the tenant's property upon the execution of a writ of restitution unless the tenant objects to the storage. Up until this decision, the practice in some jurisdictions was to, at the landlord's discretion, either store the property (absent any objection from the tenant) or deposit the tenant's property onto public property.

Summary: Upon the execution of a writ of restitution, the landlord must take possession of any property of the tenant found on the premises. The landlord may store the property in any reasonably secure place, including on the premises, unless: (a) the tenant has requested storage by serving the landlord with a written request within three days of service of the writ of restitution (in which case the landlord must store the property); or (b) the tenant has objected to storage (in which case the landlord must deposit the property upon the nearest public property). The presumption that the tenant does not object to storage if the tenant is not present during the eviction is removed.

If the landlord knows that the tenant is a person with a disability and the disability (as defined by the law against discrimination) impairs or prevents the tenant from making a written request for storage, it is presumed that the tenant has requested storage unless the tenant objects in writing.

The procedures for selling and disposing stored property are changed. The threshold cumulative value of property for when a landlord must provide more notice to the tenant before selling the property is changed from \$50 to \$100. For property with a cumulative value over \$100, the landlord may sell the property (but not dispose of it) after 30 days, rather than 45 days, from the date the landlord sent notice of the sale to the tenant. The landlord may dispose of any property not sold. The notice must be delivered to the tenant's last known address.

When serving the writ of restitution, the sheriff must also serve the tenant with a form provided by the landlord in which the tenant may request the landlord to store the tenant's property. The landlord's form must substantially comply with the form created in the act.

Votes on Final Passage:

House	97	0
House	96	0
Senate	48	0

Effective: June 12, 2008

Partial Veto Summary: The governor vetoed the emergency clause.

VETO MESSAGE ON ESHB 1865

March 17, 2008

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 2, Engrossed Substitute House Bill 1865 entitled:

“AN ACT Relating to limiting the obligations of landlords under writs of restitution.”

Section 2 is an emergency clause. An emergency clause is to be used where it is necessary for the immediate preservation of the public peace, health or safety or whenever it is necessary for the support of state government. Engrossed Substitute House Bill 1865 clarifies the rights and obligations of landlords and tenants, while including new rights for tenants. Consequently, I do not believe that an emergency clause is necessary.

For this reason, I have vetoed Section 2 of Engrossed Substitute House Bill 1865.

With the exception of Section 2, Engrossed Substitute House Bill 1865 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

HB 1923
C 19 L 08

Modifying requirements for motor vehicle transporter license applications.

By Representatives Hunt and Condotta.

House Committee on Transportation
Senate Committee on Transportation

Background: Impounds, which are the taking and holding of a vehicle in legal custody without the consent of the owner, may be performed only by registered tow truck operators (RTTOs). If on public property, the impound is at the direction of a law enforcement officer; if the vehicle is on private property, the impound is at the direction of the property owner or his or her agent.

Registered tow truck owners are issued a tow truck permit by the Department of Licensing (DOL), following payment of a \$100 per company and \$50 per truck fee, plus an inspection by the Washington State Patrol. Registered tow truck owners must also file a surety bond of \$5,000 with the DOL and meet certain minimum insurance requirements.

Tow trucks are also used by nonregistered operators that, for example, manage gas stations, repair shops, and auto dealerships. These trucks are used to aid the underlying business and may not be used for impounding or responding to law enforcement calls. If these nonregistered operators use their tow trucks to recover disabled vehicles for monetary compensation, they must have

insurance in the same manner and amount as an RTTO and submit to a safety inspection of the tow truck.

Those who engage in the business of delivering vehicles not owned by the transporter and of the type required to be registered for highway use are required to obtain a transporter license and plates.

Summary: An applicant for a transporter's license is required to indicate if the license will be used to recover disabled vehicles from a public road or highway for compensation. If so, the applicant will also be required to indicate if the applicant is a registered tow truck operator.

Votes on Final Passage:

House	96	1
House	96	1
Senate	45	0

Effective: June 12, 2008

SHB 2014
C 113 L 08

Addressing the regulation of conversion condominiums.

By House Committee on Housing (originally sponsored by Representatives Chase, Santos, Kenney, Hasegawa, Miloscia, Simpson and Ormsby).

House Committee on Housing
Senate Committee on Consumer Protection & Housing

Background: Notice of Condominium Conversion. When apartments are converted into condominiums, the condominium declarant must give each existing apartment tenant notice of the conversion 90 days before the tenant is required to vacate. No tenant may be required to vacate on less than 90 days notice except for tenant violations of the Residential Landlord-Tenant Act.

City or County Requirements - Relocation Assistance. A city or county may establish a variety of requirements regarding condominium conversions including that relocation assistance be paid to tenants who elect not to purchase a unit. Relocation assistance may not exceed \$500 per unit.

Local Government Restrictions. Local governments may not impose any taxes, fees or charges on the construction or reconstruction of residential buildings.

Summary: Notice of Condominium Conversion. A condominium declarant must give existing apartment tenants 120 days notice of the conversion of the apartment into a condominium and may not require that the tenant vacate the apartment before that 120-day period has expired. The notice must include information about any city or county relocation assistance program. Local jurisdictions may require that declarants also submit a copy of the notice to the appropriate city or county department or agency.

City or County Requirements - Relocation Assistance and Construction Commencement. A city or county may require that:

- (1) The declarant pay relocation assistance to tenants who:
 - elect not to purchase a unit;
 - are in lawful occupancy of a unit; and
 - whose household income is below 80 percent of the median income.

Required relocation assistance may not exceed three months of an eligible tenant's rent at the time of the conversion notice, except in the case of eligible elderly or special needs tenants. Elderly tenants are persons at least 65 years of age and special needs tenants are persons with a mental or physical disability, disease, chemical dependency, or permanent medical condition. Such tenants may receive the greater of:

- three months of the tenant's or subtenant's rent; or
- actual costs of relocation which may include costs associated with securing replacement housing, up to a maximum of \$1,500 in excess of the sum of three months of the tenant's or subtenant's rent.

Relocation assistance is exempt from the local government restriction on the imposition of fees on development of residential buildings.

- (2) Interior construction for the purpose of converting buildings into condominiums may not commence during the 120-day notice period unless:
 - all residential tenants who have not elected to purchase a unit and who are in lawful occupancy in the building have vacated; or
 - the declarant has offered existing tenants the opportunity to terminate their existing lease or rental agreement without cause or consequence, and then only to prepare vacant units to be used as model units or for a sales office.

Regardless of the circumstance, construction must not violate a tenant's right of quiet enjoyment during the 120-day notice period.

These provisions do not apply to any conversion condominiums for which a legal notice of conversion has been delivered to tenants before the effective date of the act.

Cities and counties planning under the Growth Management Act (GMA) are required to report annually to the Department of Community, Trade and Economic Development (DCTED) on condominium conversions occurring within their jurisdictions. Cities and counties may require declarants to provide required information to the appropriate city or county department. Information to be reported must include:

- the total number of apartment units converted into condominiums;
- the total number of condominium conversion projects; and

3SHB 2053

- the number of tenants who receive relocation assistance.

Votes on Final Passage:

House	94	3	
Senate	36	11	(Senate amended)
House	64	29	(House concurred)

Effective: August 1, 2008

3SHB 2053

C 223 L 08

Providing for improved availability of motor vehicle fuel during power outages or interruptions in electrical service.

By House Committee on Finance (originally sponsored by Representatives Goodman, Springer, O'Brien, Dunshee, Eddy, Blake, Lovick, Upthegrove, Green, Simpson and Hurst).

House Committee on Finance
Senate Committee on Transportation
Senate Committee on Ways & Means

Background: Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions and other tax incentives permitted by law. Gasoline service stations are subject to the B&O retailing rate (0.471 percent) on motor vehicle fuel and other items that are sold to consumers. Most B&O tax receipts are deposited in the State General Fund.

Summary: A credit against state B&O tax liability is provided for gasoline service stations for costs associated with acquiring alternative power generation devices. The amount of tax credit is limited to 50 percent of the cost of such devices, up to a maximum of \$25,000 per taxpayer. Eligible costs include the purchase of alternative power generation devices, the wiring necessary to install the devices, and the related installation labor and services. An overall cap of \$750,000 per biennium applies to the total credits under the program. The credit will expire at the end of fiscal year 2011.

Votes on Final Passage:

House	96	1	
House	94	0	
Senate	42	0	

Effective: July 1, 2008

HB 2137

C 192 L 08

Allowing school employees' children with disabilities to enroll in special services programs in the district where the employee is assigned.

By Representatives Wallace, Skinner, Kagi, Hankins, Roberts, Chase, Kenney, Moeller, Simpson and Santos.

House Committee on Education
Senate Committee on Early Learning & K-12 Education

Background: Generally, a public school student must attend school in the district where the student lives. However, a student may apply to attend a school outside of the district where he or she lives. School districts are required to have policies regarding how such applications are decided, and state law provides specific reasons for districts to reject applications.

School districts must accept applications from non-resident students who are children of full-time certificated and classified school employees. Such students may enroll at the school where the parent/employee works, or at a school forming the district's K through 12 continuum which includes the school where the parent/employee works. Districts may reject applications from non-resident children of district employees because of prior discipline or behavioral problems or if enrollment would displace a child who is a resident of the district.

Each school district is required to provide special education for all children with disabilities between the ages of three and 21. This includes preschool, elementary school, and secondary school. By September 1, 2009, each school district is required to provide, or contract for, early intervention services to all eligible children with disabilities from birth to three years of age.

Summary: A school district must allow the non-resident children of full-time certificated and classified school employees to enroll at a school in the district that provides early intervention or preschool services for special education students, so long as the student is eligible for such services.

Votes on Final Passage:

House	96	0	
House	97	0	
Senate	48	0	

Effective: June 12, 2008

2E2SHB 2176

C 291 L 08

Revising provisions involving court interpreters.

By House Committee on Appropriations (originally sponsored by Representatives Lantz, Warnick, Pedersen, Ross, Hasegawa, Kenney, Santos and Goodman).

House Committee on Judiciary
House Committee on Appropriations
Senate Committee on Judiciary
Senate Committee on Ways & Means

Background: State law provides for the appointment of interpreters in legal proceedings for both non-English-speaking persons and hearing impaired persons.

Interpreters must be appointed in all legal proceedings in which a non-English-speaking person is a party or is compelled to appear, and the cost of providing the interpreter is borne by the governmental body conducting the legal proceeding. In all other legal proceedings, the cost of providing an interpreter is borne by the non-English-speaking person unless the person is indigent, in which case the cost is borne by the governmental body conducting the legal proceeding.

The Administrative Office of the Courts (AOC) is responsible for establishing and administering a comprehensive testing and certification program for language interpreters. The AOC certifies court interpreters in six languages: Cantonese, Korean, Laotian, Russian, Spanish, and Vietnamese. A registered interpreter status has been developed for languages where certification is not available.

When an interpreter is appointed in a legal proceeding in which a non-English-speaking person is a party or is compelled to appear, the interpreter must be certified unless the language spoken is not one for which certification is available or the services of a certified interpreter are not reasonably available. In that case, and in other legal proceedings, a qualified interpreter may be appointed. A qualified interpreter means a person who is able to translate spoken or written English for a non-English-speaking person and to translate oral or written statements of a non-English-speaking person into spoken English.

Interpreters for hearing impaired persons must be provided at government expense in legal proceedings where the hearing impaired person is a party or witness, in court-ordered programs or activities, and in law enforcement investigatory interviews. When an interpreter is required for a hearing impaired person, the interpreter must be requested through the Office of Deaf Services in the Department of Social and Health Services or through a community center interpreter referral service. The interpreter must be able to interpret accurately all communication to and from the hearing impaired person in the particular proceeding, program, or activity.

Summary: Each trial court must develop a written language assistance plan to provide a framework for the provision of interpreter services for non-English-speaking persons accessing the court system in both civil and criminal legal matters. The language assistance plan must include provisions that address a variety of issues, including procedures that:

- assess the language needs of non-English-speaking persons using the courts and provide notice to court users of the right to and availability of interpreter services;
- provide for appointment of interpreters as required by law;
- provide timely communication with non-English speakers by all court employees who have regular contact with the public;
- evaluate the need for translation of written materials and provide for translation of the highest priority materials; and
- provide training to judges and court staff on the requirements of the language assistance plan and provide ongoing evaluation and monitoring of the implementation of the language assistance plan.

Each court must provide to the AOC a report that evaluates the need for, availability of, and estimated cost of providing interpreters in court-mandated classes or programs and the amounts spent annually on interpreter services for fiscal years 2005 through 2009. The AOC must compile these reports and provide them along with specific reimbursements provided annually to each court, to the appropriate committees of the Legislature by December 15, 2009.

Subject to the availability of funds, state reimbursement is required for up to half of the costs of interpreter services provided in legal proceedings for non-English-speaking persons and hearing impaired persons. Where a qualified interpreter is appointed for a hearing impaired person by a judicial officer in a proceeding before a court, the state must reimburse the appointing authority for up to one-half of the payment to the qualified interpreter.

Where an interpreter is appointed at public expense for a non-English-speaking person in a court proceeding, the state must reimburse the appointing authority for up to one-half of the payment to the interpreter if: (1) the interpreter is certified or is a qualified interpreter registered in a non-certified language or, where the necessary language is not certified or registered, the interpreter has been qualified by the judicial officer to interpret in the proceeding; (2) the court conducting the legal proceeding has an approved language assistance plan; and (3) the fee paid to the interpreter meets standards established by the AOC.

HB 2263

Votes on Final Passage:

House	98	0	
House	97	0	
Senate	47	2	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

HB 2263

C 193 L 08

Regarding the phosphorus content in dishwashing detergent.

By Representatives Blake, Moeller, Orcutt and Newhouse.

House Committee on Agriculture & Natural Resources
Senate Committee on Water, Energy & Telecommunications

Background: Phosphorus is a naturally occurring element that stimulates plant growth. When introduced into freshwater, phosphorus promotes growth of weeds and algae and can degrade water quality.

The sale of laundry detergent that contains 0.5 percent or more phosphorous by weight, and the sale of dishwashing detergent that contains more than 8.7 percent phosphorous by weight, is prohibited.

The sale of dishwashing detergent that contains 0.5 percent or more phosphorous by weight is prohibited after July 1, 2008, in counties with populations greater than 180,000 and less than 220,000 and in counties with populations greater than 390,000 and less than 650,000. Beginning July 1, 2010, the restriction on the sale of dishwashing detergent that contains more than 0.5 percent or more phosphorous by weight is effective statewide.

The sale and distribution of detergents for commercial and industrial uses are exempt from the phosphorus limitation.

Summary: The sale of dishwashing detergent that contains 0.5 percent or more phosphorus by weight is prohibited beginning July 1, 2008, in counties east of the crest of the Cascade Mountains with populations greater than 400,000.

Beginning July 1, 2008, and ending June 30, 2010, in counties located west of the crest of the Cascade Mountains with populations greater than 180,000 but less than 200,000, dishwashing detergent may not be sold that contains 0.5 percent or more phosphorus by weight; however, in those counties, the sale of single use packages that contain no more than 2 grams of phosphorus is permitted.

Votes on Final Passage:

House	88	8	
House	95	0	
Senate	49	0	(Senate amended)
House			(House refused to concur)
Senate	47	2	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

SHB 2279

C 118 L 08

Prohibiting discrimination against affordable housing developments.

By House Committee on Housing (originally sponsored by Representatives Darneille, Springer, Pettigrew, O'Brien, Hasegawa and Santos).

House Committee on Housing
Senate Committee on Consumer Protection & Housing

Background: There are statutory permitting requirements contained within the Growth Management Act (GMA), the Shoreline Management Act (SMA), and the State Environmental Policy Act (SEPA). However, although they provide general permitting standards and regulatory framework, specific permitting requirements are the domain of the local governments themselves. Local government regulations may impact affordable housing developments based on source of financing, intended occupancy of the developments, and the availability of social services as a component of the housing.

Some state statutes limit local governments' regulatory authority. For example:

- Cities, code cities, towns, and counties may not enact any statute or ordinance that has the effect, directly or indirectly, of discriminating against consumers' choices in the placement or use of a home in a manner that is not equally applicable to all homes. The intent of these statutes is to enable manufactured homes to site within communities.
- A local government may not prohibit the condominium form of ownership or impose any requirement on a condominium development which it would not impose on developments for other forms of ownership.

Summary: In general, a city, county, or other local governmental entity or agency may not place requirements on affordable housing developments which are different than requirements imposed on other housing developments. However, local governments are not prohibited from extending preferential treatment to such developments intended for, including but not limited to, occupancy by homeless persons, farm workers, persons with disabilities, senior citizens, or low income households.

Local governments or agencies may impose more requirements on affordable housing developments than those imposed on market rate housing if such requirements are conditions of the financing or other incentives.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 12, 2008

HB 2283

C 140 L 08

Concerning the joint legislative audit and review committee performance reviews of the home care quality authority.

By Representatives Hunter, Alexander, Schual-Berke, Cody, Kenney and Kelley.

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: In November 2001 the voters enacted Initiative Measure No. 775 (I-775), which created the Home Care Quality Authority (HCQA) as an agency of state government. The HCQA provides oversight of home care services provided by individual providers, also known as home care workers. The Department of Social and Health Services (DSHS) contracts with home care workers to provide long-term care services for elderly and disabled clients who are eligible for Medicaid and developmental disabilities programs. The home care workers provide the DSHS's clients with personal care assistance for various tasks such as toileting, bathing, dressing, ambulating, meal preparation, and household chores. These home care workers are hired and fired by the consumer client, but are paid by the DSHS.

The HCQA has, among its duties, responsibility for establishing qualifications and accountability standards for, and investigating the background of, home care workers. It also recruits new home care workers, provides them with training opportunities, and administers a referral registry to help consumers find a home care worker.

When I-775 was enacted, it included a requirement for the Joint Legislative Audit and Review Committee to conduct a performance review of the HCQA every two years to be submitted to the Legislature and the Governor. The review includes:

- an evaluation of the health, and the satisfaction with services provided, of consumers receiving long-term care from home care workers;

- an explanation of the full cost of home care provider services, including administrative costs and payroll taxes related to home care workers; and
- recommendations that will ensure the well-being of consumers and the most efficient means of delivering the required services.

The first review was submitted on January 4, 2007.

Summary: The requirement for the Joint Legislative Audit and Review Committee to conduct a performance review of the HCQA is limited to two reviews, with the second review submitted to the Legislature and the Governor by December 1, 2009. The second review will assess the services provided by the HCQA to meet its statutory duties and any other questions required by the Legislature.

Votes on Final Passage:

House	96	0
House	94	0
Senate	49	0

Effective: June 12, 2008

HB 2416

C 1 L 07 E1

Reinstating the one percent property tax limit factor adopted by the voters under Initiative Measure No. 747.

By Representatives Hurst, Orcutt, Barlow, Roach, Seaquist, Condotta, Kelley, McCune, Goodman, Strow, VanDeWege, Bailey, Wallace, Ahern, Green, Schmick, Lantz, Ross, Springer, Rodne, Morrell, Anderson, Rolfes, Hailey, P. Sullivan, Haler, McCoy, Hankins, Eddy, Priest, Takko, Kristiansen, Blake, Pearson, Ericks, Ericksen, Kessler, DeBolt, Appleton, Skinner, Clibborn, Hinkle, Fromhold, Warnick, O'Brien, Alexander, Campbell, Armstrong, Lovick, Newhouse, Morris, Chandler, B. Sullivan, Schindler, Eickmeyer, Crouse, Jarrett, Dunn, Kretz, Sump, McDonald, Walsh and Linville; by request of Governor Gregoire.

House Committee on Finance

Background: Property Taxes - Constitutional Limitations. The property tax is the oldest of taxes in Washington and is subject to a number of constitutional and statutory requirements. The state Constitution (Constitution) requires all property taxes to be applied "uniformly;" this has been interpreted to mean that within any given taxing district, the district rate applied to each parcel of taxable property must be the same. The Constitution limits the sum of property tax rates to a maximum of 1 percent of "true and fair" value, or \$10 per \$1,000 of market value. Levies that are subject to the 1 percent rate limitation are known as "regular" levies, and there is no constitutional voting requirement for regular levies. The Constitution does provide a procedure for voter approval for tax rates that exceed the 1 percent limit.

These taxes are called "excess" levies. The most common excess levies are maintenance and operation levies for school districts and bond retirement levies. The Constitution provides that excess levies must obtain a 60 percent majority vote plus meet a minimum voter turnout requirement.

Regular Property Taxes - Limit Factor. A district's regular property tax levy is limited by a statutory maximum growth rate in the amount of tax revenue that may be collected annually; this growth rate is known as the limit factor. For districts of 10,000 persons or more, the limit factor is equal to 100 percent plus the rate of inflation, although the governing body of the district (other than the state) may adopt a limit factor of up to 106 percent based on a finding of substantial need. For smaller districts, the limit factor is 106 percent.

Generally, the limit factor requires a reduction of property tax rates as necessary to limit the growth in the total amount of property tax revenue received to the maximum limit factor defined in statute. The limit factor does not apply to new value placed on tax rolls attributable to new construction, to improvements to existing property, to changes in state-assessed valuation, or to construction of certain wind turbines.

While the limit factor constrains regular property tax growth over time, a regular property tax district that chooses to levy an amount that is less than the highest lawful amount allowed under the full limit factor may retain the unused capacity for future use. This is known as "banked capacity." The amount of tax that a district levies in any one year may be more or less than the amount that would otherwise be expected by increasing the previous year's levy by the limit factor. The levy growth depends on whether the district is banking capacity for future use, tapping previously banked capacity, or neither. Many districts have maintained some amount of banked capacity in the past, but since the enactment of Initiative 747 (I-747; see below) the overall amount of banked capacity has diminished.

The limit factor for regular property taxes may be exceeded by voter approval; this process is known as a "lid lift." Lid lifts require approval by a majority of the voters in a taxing district, and allow the district to set its levy in an amount that exceeds the highest lawful amount that could be levied by the district governing body. However, the resulting tax rate must be less than the statutory rate limit.

Constitutional requirements with respect to legislation. The Constitution requires that, regarding legislation, bills contain only one subject, and that subject be contained in the title. The court has interpreted this requirement to mean that there must be rational unity between the subject matter within the measure and that the title adequately reflect the subject matter. The Constitution also requires that current law may not be amended by reference, but rather legislation amending

current law must set forth in full the provisions being amended. The primary purpose of this requirement is to inform the public and the Legislature of the nature and effect of proposed changes and to avoid confusion from having disconnected sections scattered throughout the legal code.

History of the Limit Factor and Recent Litigation. The limit factor was formally established in the approval of Referendum 47 (R-47) in 1997. Prior to the passage of R-47, the maximum allowable growth rate for all regular property tax levies had been 106 percent. In approving R-47, state voters restricted taxing districts of 10,000 persons or more to a limit factor of 100 percent plus the rate of inflation, defined to be the change in the implicit price deflator index as determined by the U.S. Department of Commerce. However, districts of 10,000 persons or more other than the state could adopt a limit factor of 106 percent or less with a finding of substantial need by the district's governing body. The limit factor for districts of less than 10,000 persons remained at 106 percent.

In November 2000, state voters approved Initiative 722 (I-722), which among other things changed the maximum limit factor for all taxing districts from 106 percent to 102 percent and eliminated the authority to bank unused taxing capacity. That same month, however, the Thurston County Superior Court enjoined implementation of I-722. In February 2001, the Pierce County Superior Court invalidated the initiative under the title/subject rule. The Washington Supreme Court (Court) affirmed the superior court ruling in September 2001, thus returning law to that approved by the voters under R-47.

In January 2001, I-747 was filed. Under the initiative, the statutory changes under I-722 with respect to the 102 percent limit factor were modified, providing instead a 101 percent limit factor, unless approved otherwise by a public vote. I-747 also included nonsubstantive language that cross-referenced existing lid lift authority. I-747 did not include modification to the existing authority to bank unused property taxing capacity. In November 2001, two months after the Court invalidated I-722, voters enacted I-747.

In June 2006, the King County Superior Court invalidated I-747, ruling that the initiative violated constitutional requirements concerning amendment by reference. The ruling provided that the persons voting on I-747 were led incorrectly to believe that they were voting to amend the sections of law as amended by I-722 when, in fact, because I-722 had been struck down by the court before voters approved I-747, the voters were voting to amend the sections of law as amended by R-47. In November 2007, the Court affirmed the lower court's ruling, vacating the I-747 changes. Following the ruling, the Department of Revenue issued a memo to county assessors and treasurers providing an interpretation of the ruling. The interpretation provides that the Court's

ruling means that regular property taxing districts have additional levying capacity equal to the difference in the hypothetical amount of banked capacity that would have resulted had taxes been levied beginning in 2002 under the limit factor that was established by R-47 and the amount of banked capacity that was accumulated prior to the Court's ruling.

Summary: Enacting the substantive provisions adopted by the voters under I-747, regular property tax growth levies at the district level are limited to no more than 1 percent growth annually.

The provisions are retroactive to and prospective from taxes levied for collection in 2002. The retroactivity extinguishes the additional levying capacity resulting from the November 2007 Court ruling, but lets stand any banked capacity accumulated prior to the court ruling and the authority to continue to bank future unused capacity.

Votes on Final Passage:

First Special Session

House	86	8
Senate	39	9

Effective: November 29, 2007

SHB 2427
C 20 L 08

Modifying provisions for the cosmetology apprenticeship program.

By House Committee on Commerce & Labor (originally sponsored by Representatives Kenney, Hankins, Dickerson, Conway, Ormsby, Pettigrew, Santos, Fromhold, Haler, Sullivan, Schual-Berke, Moeller, McCoy, Quall, Darneille, Morris, Williams, Skinner, Flannigan, Bailey, Kelley, Hunt, Campbell, Grant, Morrell, Chase, Barlow and Green).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: Individuals training for a license in cosmetology, barbering, esthetics, or manicuring are generally required to attend a cosmetology school licensed by the Department of Licensing (DOL). The requirements for becoming licensed include graduating from a licensed cosmetology school and passing an examination.

In 2003 a pilot program was established for cosmetology apprenticeships, with up to 20 participating salons. The pilot program was extended in 2006. Under the pilot program, individuals may become licensed in cosmetology, barbering, esthetics, or manicuring by successfully completing a state-approved apprenticeship program and passing the appropriate licensing exam.

Apprentices may receive wages while in the pilot program.

The DOL adopted various rules related to the apprenticeship pilot program including rules requiring participating salon/shops to keep certain apprenticeship records, establishing training requirements, requiring participating salon/shops to post a notice to consumers, and requiring apprentices to wear identification visible to the public.

An advisory committee, coordinated by the Washington State Apprenticeship and Training Council appointed by the Department of Labor and Industries, is responsible for coordinating the apprenticeship pilot program and presenting a report to the Legislature. The apprenticeship pilot program expires July 1, 2008.

The DOL regulates many businesses and professions under specific licensing laws. Each business and profession is under either the disciplinary authority of the Director of the DOL or a board or commission charged with regulating that particular profession. The Uniform Regulation of Business and Professions Act (URBPA) provides consolidated disciplinary procedures for these licensed businesses and professions.

Summary: The cosmetology apprenticeship program expiration date of July 1, 2008, is deleted, and a permanent program is created to allow direct entry of individuals into an approved apprenticeship program. An apprentice actively enrolled in an apprenticeship program for cosmetology, barbering, esthetics, or manicuring may, without a license, engage in commercial practice as required for the program. To participate, an apprenticeship program must be approved by the Washington State Apprenticeship and Training Council.

An apprenticeship salon/shop must provide the DOL with a list of individuals acting as apprentice trainers. These trainers must be approved by the DOL, must have a current license in the relevant practice, and must have held that license for a minimum of three consecutive years. The program must keep apprentice monthly reports recording daily activities and the number of hours completed. These must be provided to the apprentice and be kept on file for three years.

If an apprenticeship program or salon/shop makes any changes that affect the information required to be submitted to the DOL, the program must submit revised information to the DOL prior to implementing of the changes.

The DOL must audit and inspect apprenticeship shops and apprentice monthly reports at least annually. If a shop is not maintaining required standards, notice must be given to the program. If the listed conditions are not corrected, the program is subject to penalty under the URBPA.

The training curriculum for an apprenticeship program is established as:

- 2,000 hours for a cosmetologist;
- 1,200 hours for a barber;
- 800 hours for a manicurist; and
- 800 hours for an esthetician.

An apprenticeship salon/shop must post a notice to consumers stating that the shop participates in the apprenticeship program and that apprentices are in training and not yet licensed.

The membership of the Cosmetology, Barbering, Esthetics, and Manicuring Advisory Board is revised to include a member representing apprenticeship programs.

Votes on Final Passage:

House	93	1
Senate	48	1

Effective: June 12, 2008

SHB 2431

C 56 L 08

Regarding cord blood banking.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Morris, Hudgins, Santos and Chase).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Cord Blood Banking. Cord blood banks, both public and private, store placental and umbilical cord blood that is collected from newborns. Public banks accept cord blood donations, store the cord blood anonymously without charge, and make it available to any patient that needs it. Private banks store the donor's collected cord blood for a fee, and the stored blood is intended for future use by the donor or donor's family.

A 2005 Institute of Medicine (IOM) report on cord blood banking discusses the potential for using stem cells in regenerative medicine. This potential exists because stem cells are unspecialized cells that are capable of dividing and replicating indefinitely and of giving rise to specialized cells, such as heart muscle cells, nerve cells, blood cells, and other cell types.

One type of stem cell, the hematopoietic progenitor cell (HPC), is responsible for the continuous production of several types of normal blood cells. The HPCs have been used in transplants to treat leukemia, lymphoma, aplastic anemia, sickle cell anemia, and certain inherited immunity disorders. The HPCs are obtained from various sources, including bone marrow and umbilical cord blood. They have been used as an alternative to bone marrow for many treatments. According to the IOM report, HPCs obtained from cord blood have a lower risk of a poor immune response to transplantation than HPCs obtained from bone marrow. In addition, the IOM report states that cord blood is readily available, has a low-risk

for transmitting infectious disease, and involves minimal risk to the mother or the infant at collection.

The 2005 IOM report recommended the creation of a nationwide cord blood stem cell bank program. The U. S. Congress, in late 2005, adopted the C.W. Bill Young Transplantation Program, under which the U. S. Department of Health and Human Services regulates cord blood banks, including recognizing entities for the accreditation of cord blood banks, providing standards for the operation of cord blood banks, and establishing a public donor system for cord blood.

Prenatal Test Information for Patients. Washington law requires persons providing prenatal care or practicing medicine to provide certain information to their pregnant patients about prenatal tests. This information must be provided within time limits and according to standards established by the Department of Health.

The Consumer Protection Act. Under the state's Consumer Protection Act (CPA), certain activities have been designated by the Legislature as unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce. Various remedies for violations of the CPA are provided, including authorization for the Attorney General to seek restraining orders. A person who is injured by a violation of the CPA may recover treble damages, costs, and reasonable attorneys' fees.

Summary: Legislative Purpose. The stated legislative purpose is to promote education of the public on the benefits of cord blood banking and to establish safeguards related to effective private cord blood banking.

Information for Patients. The information that must be provided to pregnant patients is expanded. Health care providers of prenatal care must provide objective and standardized information to pregnant patients about the differences between and the potential benefits and risks of public or private cord blood banking. This information must be sufficient to allow a pregnant woman to make a decision before her third trimester of pregnancy about whether to participate in a cord blood banking program. The information must also discuss the opportunity to donate to a public cord blood bank.

Private Cord Blood Banks. Private cord blood banks offering services in Washington must have all applicable state and federal accreditations or other authorizations to engage in cord blood banking in Washington. These cord blood banks must:

- include information in advertising or educational materials about the bank's accreditations and its success rate in storing sterile, viable cord blood; and
- provide the donor the results of quality control tests on the stored cord blood and, if the test results demonstrate that the cord blood may not be recommended for long-term storage, give the cord blood donor the option, with sufficient information for an informed decision, not to be charged fees.

Violation of these provisions applying to private cord blood banks is a violation of the Consumer Protection Act.

Votes on Final Passage:

House	95	0
Senate	48	0

Effective: July 1, 2010

HB 2437
C 5 L 08

Authorizing public works board projects.

By Representatives Seaquist, McDonald, Fromhold, Armstrong, Takko, Hankins, Blake, Lantz, Morrell, McCoy, McIntire, Kenney, Schual-Berke, Appleton, Kagi, Sullivan, Dunn, Chase, Upthegrove, Liias, Simpson, Barlow, Ericks, Green and Warnick; by request of Department of Community, Trade, and Economic Development.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: The Public Works Assistance Account (PWAA), commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. The Public Works Board (Board), within the Department of Community, Trade, and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water and sewage systems, and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

The PWAA receives dedicated revenue from: utility and sales taxes on water, sewer service, and garbage collection; a portion of the real estate excise tax; and loan repayments.

The PWAA appropriation is included in the capital budget, but the project list is submitted annually in separate legislation. The CTED received an appropriation of \$327 million from the PWAA in the 2007-09 capital budget. The funding is available for public works project loans in the 2008 and 2009 loan cycles.

Each year, the Board is required to submit a list of public works projects to the Legislature for approval. The Legislature may remove projects from the list, but it may not add any projects or change the order of project priorities. Legislative approval is not required for pre-construction activities, planning loans, or emergency loans.

Summary: As recommended by the Board, 52 PWAA project loans totaling \$278 million are authorized for the 2008 loan cycle. All of the appropriation available for construction loans in the 2007-09 biennium is being used for the 2008 loan list. Of the 52 authorized projects: 10 are domestic water projects totaling \$48.8 million; 34 are sanitary sewer projects totaling \$187 million; six are road projects totaling \$39.8 million; and two are solid waste projects totaling \$2.4 million. Loan interest rates may not exceed one-half of 1 percent.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	93	0	(House concurred)

Effective: March 7, 2008

ESHB 2438
C 8 L 08

Extending a pilot project that allows for the use of dogs to hunt cougars.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Kretz, Williams, Blake, McCune, Newhouse, Takko, Chandler, Condotta, Armstrong, Dunn, McDonald, Warnick and Pearson).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: General Conditions for Hunting Cougars with the Aid of Dogs. Generally, the use of dogs to hunt or pursue cougars is unlawful in Washington. However, there are situations where the Fish and Wildlife Commission (Commission) is authorized to allow the use of dogs to hunt cougars. One such situation is when the Commission determines that there is a public safety need.

The use of dogs to hunt cougars when there is a public safety need must be limited to specific game management units, and may be allowed only after the Commission has determined that there is no practical alternative to the use of dogs. Practical alternatives include seasons for hunting cougars without the aid of dogs, public education, cougar depredation permits, and relocation or euthanasia programs administered by the Department of Fish and Wildlife (WDFW).

The Commission may authorize the use of dogs in public safety cougar removal efforts if the WDFW believes, based on complaints or observation, that 11 interactions occurred between humans and cougars in a given year. Of those 11 confirmed interactions, at least four must have resulted in incidents where livestock or pets were killed or injured by the cougar.

If the necessary interactions occur, and no practical alternatives exist, the WDFW may allow for the use of dogs to take one cougar per 120 square kilometers in rural or undeveloped areas, or one cougar per 430 square kilometers in urban or suburban areas. All public safety cougar removals must occur between December 1 and March 15 in most game management areas.

Cougars may be hunted with modern firearms, bows, or muzzleloaders outside the public safety cougar removal program; however, the use of dogs is prohibited.

Pilot Project for Hunting Cougars With the Aid of Dogs. In 2004 the Legislature directed the Commission to adopt rules that establish seasons for pursuing and hunting cougars that allows the use of dogs. The seasons were limited to a three-year pilot program located only in Ferry, Stevens, Pend Oreille, Chelan, and Okanogan counties, and were to occur only within identified game management units. The pilot program was required to be designed to provide for public safety, property protection, and cougar population assessments.

In establishing the pilot seasons, the Commission was required to cooperate and collaborate with the legislative authorities of the impacted counties. This coordination took the form of local dangerous wildlife task teams composed of representatives from the WDFW and the local counties. The task teams were also directed to develop a more effective and accurate dangerous wildlife reporting system.

In 2007 a fourth year was added to the pilot project and, for the first time, counties other than the original five were allowed to petition the Commission for inclusion in the pilot project. The legislative authority of any county that was not included in the cougar hunting pilot project could request the Commission to include its county in the pilot project if the legislative authority adopted a resolution requesting inclusion, documented the need to participate by identifying the number of cougar interactions within that county, and demonstrated that the existing cougar management tools for that county are insufficient.

Summary: The pilot project to allow for the hunting of cougars with the aid of dogs is extended for three additional years. The conditions, limitations, and requirements of the original pilot project are retained.

Votes on Final Passage:

House 66 29
Senate 31 18

Effective: June 12, 2008

Changing the time frame covered by the twenty-one day preelection campaign finance report.

By Representatives Hunt, Chandler, Appleton, Armstrong and Haigh; by request of Public Disclosure Commission.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: In Washington, the Public Disclosure Commission (PDC) is responsible for receiving, processing, and auditing filings of political campaigns, lobbying, and the financial affairs of elected officials and candidates. The jurisdiction of the PDC includes providing access to those filings and ensuring compliance with disclosure provisions, contribution limits, campaign practices, and other campaign finance laws.

Candidates running for state office must file personal financial affairs statements and campaign disclosure reports. Local office candidates in jurisdictions of under 1,000 registered voters as of last year's general election have no reporting requirements. Those candidates in jurisdictions of 1,000 or more registered voters as of last year's general election must file financial affairs statements. Local office candidates in jurisdictions of 5,000 or more registered voters, or covering an entire county, must also file campaign disclosure reports.

At certain intervals of a campaign, a candidate or political committee is required to file a report with the PDC and the county auditor or elections officer of the county in which a candidate resides, or the county where the committee maintains its office or headquarters (if a committee has no office or headquarters, then it is the county in which the committee treasurer resides). A report is due on the 21st day and the 7th day immediately preceding the date on which the election is held. In addition, a report is due the 10th day of the first month after the election. Monthly reports are due on the 10th of any other month if the candidate or committee has received a contribution or made an expenditure in the preceding calendar month that exceeds \$200. The report filed 21 days prior to an election must report all contributions received and expenditures made as of the end of the fifth business day before the date of the report.

Summary: The report filed 21 days prior to an election must report all contributions received and expenditures made as of one business day, instead of five business days, before the date of the report.

Votes on Final Passage:

House 93 0
Senate 45 0

Effective: June 12, 2008

EHB 2459

C 57 L 08

Creating the uniform real property electronic recording act.

By Representatives Kelley, Ross, Simpson, Hudgins, Uptegrove and Warnick; by request of Secretary of State.

House Committee on Local Government
Senate Committee on Government Operations & Elections

Background: Uniform Real Property Electronic Recording Act. The Uniform Real Property Electronic Recording Act (URPERA) is the product of the National Conference of Commissioners on Uniform State Laws, an organization that authors and promotes uniform, comprehensive statutory frameworks intended for nationwide adoption pertaining to many areas of law where national uniformity is deemed beneficial.

The URPERA is designed to establish the legal authority of the recorder to receive and record documents and information in electronic form. Its fundamental principle is that any requirements of state law describing or requiring that a document be an original, on paper, or in writing are satisfied by a document in electronic form. Furthermore, any requirement that the document contain a signature or acknowledgment is satisfied by an electronic signature or acknowledgment. The URPERA specifically authorizes a recorder, at the recorder's option, to accept electronic documents for recording and to index and store those documents.

Washington Electronic Authentication Act. The Washington Electronic Authentication Act (Act) creates standards and procedures for the use of digital electronic signature technology in commercial transactions. The Act authorizes the Secretary of State to establish rules and procedures governing the use of electronic signatures in order to ensure the authenticity and reliability of electronic messages.

Duties and Authority of County Auditors. The county auditor is responsible for the recording of specified documents required by law to be part of the public record kept by a county. The documents that must be recorded by a county auditor include judgments, liens, deeds, mortgages, and many other categories of documents pertaining to property ownership and real estate transactions. State law specifies requirements that must be met by an auditor when exercising his or her recording duties and specifically authorizes an auditor to record documents in electronic format.

Summary: The adoption of the URPERA creates a new chapter in the Revised Code of Washington creating the definitions, standards, procedures, and authority needed by county auditors for the implementation of a system

for the recording, storage, and transmission of documents existing in electronic form.

County auditors are provided with the explicit authority needed for the official recording and transmission of an electronic document and the acceptance of a legally required signature, notarization, verification, or acknowledgment when received electronically in accordance with specified requirements.

The Secretary of State is required to create and appoint an E-Recording Standards Commission (Commission) to review electronic recording standards and make recommendations regarding the implementation of electronic recording standards. A majority of the Commission must be county auditors or recorders, but it may also include treasurers, assessors, land title company representatives, escrow agents, mortgage bankers, and others whom the Secretary of State deems appropriate.

Votes on Final Passage:

House 92 0

Senate 48 0

Effective: June 12, 2008

HB 2460

C 194 L 08

Concerning the leasehold excise tax exemption for certain amphitheater property.

By Representative Fromhold.

House Committee on Finance
Senate Committee on Ways & Means

Background: The leasehold excise tax applies to publicly owned property which is leased to private entities. The purpose of the tax is to recognize that public property is not subject to property taxes; without the in-lieu excise tax, such lessees would enjoy a tax advantage over competitors located on real property which they own. The combined state and local government leasehold excise tax rate is 12.84 percent of the contract rental payment (or fair market value of the lease).

In 2005 the Legislature enacted a leasehold excise tax exemption, targeted toward an amphitheater facility located in Clark County. The facility must be located in a county with a population of at least 350,000 but no greater than 425,000.

This facility opened in the city of Ridgefield in July of 2003 at which time the population of Clark County was 372,300. The current population of Clark County is 415,000 as of April 1, 2007. The population of the county will likely exceed the 425,000 population limitation by 2008 or 2009.

Summary: The leasehold excise tax exemption for an amphitheater is amended to specify that the county population had to be within the indicated population range at the time the facility first opened to the public.

Votes on Final Passage:

House 96 0
Senate 47 0

Effective: June 12, 2008

HB 2467
C 292 L 08

Regulating fertilizers.

By Representatives Warnick, Blake, Grant, Kretz, Newhouse and VanDeWege; by request of Department of Agriculture.

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture & Rural Economic Development

Background: Fertilizer Registration. The Washington State Department of Agriculture (WSDA) requires commercial fertilizer to be registered by the producer, importer, or packager before distribution. Bulk fertilizer does not require registration if all the commercial fertilizer products contained in the final product are already registered. Applications for registration are \$50, and applicants are registered for two-year periods.

Labeling Requirements. Commercial fertilizer distributed in Washington must be clearly labeled. Bulk commercial fertilizer must be distributed with a written or printed statement and be supplied to the purchaser at the time of delivery.

Registrant Reporting and Fees. Every registrant or licensee who distributes commercial fertilizer must file a semiannual report to the WSDA stating the number of net tons of each commercial fertilizer distributed in Washington. Individuals responsible for payment of inspection fees for commercial fertilizer distributed in Washington must include the fees with the report. For registrants or licensees that distribute less than 83 tons of commercial fertilizer or less than 167 tons of commercial lime or an equivalent combination of the two, they must pay the minimum fee of \$25.

WSDA Reports. The WSDA also maintains a fertilizer database of registration information that is open to the public. The WSDA, in consultation with the Department of Ecology and the Department of Health, also reports biennially to the Legislature on the levels of non-nutritive substances in fertilizers.

Summary: Various changes are made to existing statutory provisions regulating commercial fertilizer.

Labeling. Requirements for the labeling of packaged, bulk, and customer-formula fertilizers are clarified.

Registrant Reporting and Fees. The due dates for fertilizer distribution reports are reinstated in statute. Statutes regarding late fees are clarified.

Other Provisions. Technical changes are made and outdated language is removed in the four amended sections of the statute.

Votes on Final Passage:

House 95 0
Senate 49 0 (Senate amended)
House 94 0 (House concurred)

Effective: June 12, 2008

SHB 2472
C 195 L 08

Seeking to improve recreational opportunities on state-owned lands managed by the department of natural resources.

By House Committee on Ecology & Parks (originally sponsored by Representatives Blake, Warnick, Condotta, Sells, Linville, Hinkle, VanDeWege, McCoy, Lantz, Morrell, Loomis, Kretz, Chase, Kristiansen and McDonald; by request of Department of Natural Resources).

House Committee on Ecology & Parks
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Department of Natural Resources (DNR) manages nearly three million acres of uplands and over two million acres of aquatic lands. Although each of the individual land holdings are managed by the DNR for a specific benefit or purpose, the concept of multiple use management overlays all of the DNR-managed land.

Multiple use means the provision of several uses simultaneously on the same tract of land. Outdoor recreation, in all of its various forms, is one of the multiple uses that the DNR is directed to provide when the recreation does not negatively impact the underlying land management purposes. Many lands managed by the DNR are used for hunting, fishing, hiking, camping, and motorized vehicle riding.

Summary: A work group is established to make recommendations to the Legislature regarding recreation on lands managed by the DNR. The work group must return a report to the Legislature by no later than December 1, 2009, that examines relevant existing laws and rules relating to recreation on state lands, recommends policy changes, and considers funding alternatives. The findings of the work group must consider the impacts of recreation on other nearby land uses such as residential housing.

Members of the work group must be appointed by the Commissioner of Public Lands (Commissioner) and must represent a balanced group of individuals with knowledge and interest in recreation relating to specific regions of the state. In addition to stakeholder

representatives invited by the Commissioner, the Commissioner must also invite tribal, gubernatorial, and legislative representation to the work group.

The work group is to be chaired by the Commissioner or the Commissioner's designee, and staff to the work group is to be provided by the DNR. Any funding to pay for the work group's activities must be provided in a general fund appropriation.

In conducting its analyses, the work group must have at least two public workshops and hold meetings in diverse locations around the state.

Votes on Final Passage:

House	96	0	
Senate	49	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

SHB 2474

C 141 L 08

Modifying supervised experience requirements for social worker licenses.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Wood, Morrell, Barlow and Green).

House Committee on Health Care & Wellness
Senate Committee on Human Services & Corrections

Background: Until 2001, counselors, including social workers and mental health counselors, were registered under the same law. In 2001 licensed social workers, licensed mental health counselors, and licensed marriage and family therapists became regulated by the Department of Health (DOH) under a separate law. Licensing requirements for all three professions include specific education, examination, and supervised experience requirements.

Licensed social workers may qualify for licensure in one of two categories: licensed advanced social workers or licensed independent clinical social workers. Each category requires an applicant to meet specified supervised experience requirements.

The supervised experience requirement for licensed social workers is specified in statute. For licensed advanced social workers, the experience requirement includes, among other things:

- a minimum of 3,200 hours of experience;
- ninety hours supervised by a licensed independent clinical social worker or a licensed advanced social worker who has been licensed at least two years;
- of those hours, 50 hours of direct supervision by a licensed independent clinical social worker or a licensed advanced social worker; the other 40 hours may be with an equally qualified licensed mental health practitioner; and

- at least 800 hours of direct client contact.

The supervised experience requirement for licensed independent clinical social workers, includes, among other things:

- a minimum of 4,000 hours of experience, with 1,000 hours of direct client contact supervised by a licensed independent clinical social worker who has been licensed at least five years and has had at least one year of clinical practice supervision experience;
- at least 130 hours supervised by a licensed mental health practitioner; and
- of the total supervision, 70 hours with an independent clinical social worker meeting the statutory experience requirements; the other 60 hours may be with an equally qualified licensed mental health practitioner.

Under DOH rules, the required experience for licensed social workers is supervised by an approved supervisor. An approved supervisor may be a licensed independent clinical social worker, a licensed advanced social worker (for licensed advanced social workers only), or an equally qualified licensed mental health practitioner. An "equally qualified licensed mental health practitioner" means a licensed mental health counselor, a licensed marriage and family therapist, a licensed psychologist, a licensed physician practicing as a psychiatrist, or a licensed psychiatric nurse practitioner.

Approved supervisors must meet certain requirements in the rules, including holding an unrestricted license for at least two years, completing certain supervisor training, and having, for licensed advanced social workers only, two years of clinical experience postlicensure or, for licensed independent clinical social workers only, five years of clinical experience postlicensure.

Summary: For both categories of licensed social workers, some of the required supervised experience may be provided by an equally qualified licensed mental health practitioner. All of the licensed supervisors must be approved supervisors. For both categories, an approved supervisor must be licensed for at least two years (which reduces the five-year licensure requirement to two years when licensed independent clinical social worker applicants are supervised).

Additional changes are made to clarify the supervised experience requirements for licensed social workers and to organize these requirements in a more consistent format.

These changes apply retroactively to July 22, 2003.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 12, 2008

SHB 2475

C 58 L 08

Regarding the scope of practice of health care assistants.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Morrell and Green).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Health Care Assistants. Health care assistants are certified persons who assist a licensed health care practitioner, such as physicians, registered nurses or advanced registered nurse practitioners, and naturopaths. A licensed health care practitioner may delegate certain functions within the delegator's scope of practice to a health care assistant, including administering skin tests and injections, and performing blood withdrawal and certain other specified functions. The Department of Health (DOH) rules provide for seven categories of health care assistants; only five of these categories may administer injections.

Health care assistants are certified by the health care facility in which the services are performed or by the health care practitioner who delegates functions to the health care assistant. The facility or practitioner must submit to the DOH a roster of certified health care assistants. The submittal must include a list of specific medications and diagnostic agents, and the route of administration of each, that have been authorized for injection.

Vaccine Regulation. Vaccines are approved and licensed by the U.S. Food and Drug Administration (FDA). The Advisory Committee on Immunization Practices (ACIP), a committee appointed by the Secretary of the U.S. Department of Health and Human Services, provides advice to the Secretary and to the Centers for Disease Control and Prevention (CDC) on the control of vaccine-preventable diseases. The ACIP makes recommendations for the routine administration of vaccines to children and adults, including age, dosage and dosage interval recommendations, and precautions and contraindications.

The Rotavirus Vaccine. In February 2006 the FDA licensed an orally administered rotavirus vaccine for use among infants to prevent gastroenteritis. According to the CDC, rotavirus is the most common cause of severe diarrhea among children, with 55,000 children hospitalized each year in the United States. In August 2006 the ACIP recommended routine three-dose administration of the oral rotavirus vaccine to infants, beginning between the ages of six to 12 weeks, for the prevention of rotavirus gastroenteritis in infants and children.

The DOH received funding in 2006 to distribute several new vaccines, including the oral rotavirus vaccine. At that time, the DOH advised health care providers that health care assistants are not among those who are

allowed to administer oral vaccines, although they may be allowed to administer vaccines by injection. The DOH explained that oral vaccines may be administered only by those licensed practitioners authorized to prescribe or administer oral vaccines and, when administration is appropriately delegated by those licensed practitioners, to other licensed practitioners with a scope of practice that specifically includes the administration of oral vaccines.

Summary: The authority for licensed health care practitioners to delegate to health care assistants the administration of vaccines is restricted to vaccines that are administered by injection, orally, or topically, including nasal administration, and that are licensed by the U.S. Food and Drug Administration.

A licensed health care practitioner delegating vaccine administration to a health care assistant must submit a list to the DOH showing the vaccines that are authorized for administration.

Physician assistants and osteopathic physician assistants are added to the licensed health care practitioners that may delegate authorized functions to health care assistants.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 12, 2008

EHB 2476

C 224 L 08

Authorizing tribal police officers to act as general authority Washington state peace officers.

By Representatives McCoy, Simpson, Lantz, Appleton, O'Brien, Kenney, Sells, Moeller, Hudgins, Dunn, Uptegrove and Chase.

House Committee on State Government & Tribal Affairs
Senate Committee on Judiciary

Background:

General Authority State Peace Officers. A general authority Washington State Peace Officer is any officer of a general authority law enforcement agency in the state, including those of local governments, the state patrol, and the Department of Fish and Wildlife. General authority peace officers may enforce criminal or traffic laws of the state throughout the territorial boundaries in the following circumstances:

- under the auspices of an inter-local agreement;
- in response to an emergency involving immediate threat to human life or property;
- in response to a request for assistance pursuant to a law enforcement assistance agreement;
- when transporting prisoners;

- when executing an arrest warrant or search warrant; or
- when in fresh pursuit.

Tribal Police Officer Certification. In 2006 a law was enacted allowing tribal police officers to voluntarily obtain Washington police officer certification through the state's Criminal Justice Training Commission (CJTC). Officers making this certification must meet the statutory requirements for all certified state police officers, including submitting to psychological tests and criminal background checks. Applications by tribal law enforcement agencies for police officer certification are processed in the same manner as any state application.

To participate in this program, tribal governments must enter into a written agreement with the CJTC. The written agreement must require the tribal law enforcement agency and its officers to comply with all of the requirements for granting, denying, and revoking certification as they are applied to state general authority peace officers.

Public Law 280. Public Law 280 (PL 280) is a federal law whereby states may assume jurisdiction over Indian reservations. The law mandates transfer of federal law enforcement authority within certain tribal governments to state government. Participating states are specified in statute; Washington was added to the federal statute at a later date.

Pursuant to Washington's assumption of jurisdiction in statute, the state assumes criminal and civil jurisdiction over Indian Country except over Indians on tribal or allotted lands within an established reservation. The state has complete jurisdiction in eight areas: compulsory school attendance; public assistance; domestic relations; mental illness; juvenile delinquency; adoption proceedings; dependent children; and the operation of motor vehicles on public streets, roads, alleys, and highways.

In Washington, the Muckleshoot, Squaxin, Nisqually, and Skokomish tribes have requested full state civil and criminal and adjudicatory authority in Indian Country. After 1968 Congress amended PL 280 so that tribal consent is required for the state to extend jurisdiction. This applies to the Jamestown S'Klallam, Nooksack, Upper Skagit, Stillaguamish, Sauk-Suiattle, Samish, Cowlitz, and Snoqualmie Tribes, and to Cook's Landing. The Samish and Cowlitz currently do not have reservations.

The remaining tribes are partial-PL 280 tribes: Chehalis, Colville, Yakama, Hoh, Kalispell, Lower Elwha, Lummi, Makah, Port Gamble S'Klallam, Puyallup, Quileute, Quinault, Shoalwater Bay, Spokane, Suquamish, Swinomish, Tulalip, and Upper Skagit. Partial-PL 280 tribes have their own tribal governments including comprehensive court systems and codes and law enforcement agencies.

Criminal Jurisdiction in Indian Country. In Washington, criminal jurisdiction on Indian reservations is based partly on whether the tribe has PL 280 status, the status of the individual parcels of the land, and whether the individual in question is Indian or non-Indian. County or city law enforcement maintains jurisdiction over fee land within the reservation and, generally speaking, over non-Indians within the exterior boundaries of the reservation. Under federal law, tribal law enforcement generally has jurisdiction over Indians in Indian Country but not over non-Indians.

Summary: Tribal police officers are authorized to act as general authority Washington State Peace Officers when the appropriate tribal government meets specified requirements regarding certification, insurance liability, and administration. The appropriate tribal government must submit proof of the required certification and other information to the Office of Financial Management (OFM) for review and verification. Only when this information has been provided to the OFM are the tribal police officers authorized to act as general authority Washington State Peace Officers. The authority is granted only within the exterior boundaries of the reservation or outside the exterior boundaries of the reservation pursuant to statute: with consent of the local sheriff; in response to an emergency involving threat to human life or property; in response to a request for assistance pursuant to a mutual law enforcement assistance agreement; when transporting a prisoner; when the officer is executing an arrest or search warrants; or when an officer is in fresh pursuit.

Certification. For a tribal police officer to be authorized as a general authority Washington State Peace Officer he or she must be certified pursuant to statute. The appropriate tribal law enforcement agency must have a written agreement with the CJTC and have submitted its police officers seeking certification to the same requirements as the state's certified peace officers.

The Criminal Justice Training Commission must notify the OFM in the event a tribal police officer authorized under this section is decertified or if a participating tribal government is otherwise in noncompliance with statutory requirements.

Insurance Liability. Tribal governments must carry liability insurance and waive sovereign immunity to the extent of such coverage so as to allow a civil action for damages in the event a tribal police officer acting in the capacity of a state peace officer commits a tort. The OFM will have discretion to determine the adequacy of coverage based on its own risk management analysis.

Inter-Local Requirements. Authorized tribal police officers acting in the capacity of a state peace officer must submit copies of any citation, notice of infraction, or any incident report to the appropriate local police chief or sheriff within three days. Any citations must be to Washington courts, except that any Indian cited within

the exterior boundaries of the reservation may be cited to tribal court. Any citation that does not follow these requirements is unenforceable.

Votes on Final Passage:

House	58	37	
Senate	34	15	(Senate amended)
House	62	32	(House concurred)

Effective: July 1, 2008

2SHB 2479

C 271 L 08

Requiring subscribers' consent to disclosure of wireless phone numbers.

By House Committee on Appropriations (originally sponsored by Representatives Morrell, Bailey, Cody, Pedersen, Appleton, Sells, Lantz, Hasegawa, Ormsby, Conway, Condotta, Hurst, McIntire, Roberts, Kenney, Haigh, Schual-Berke, Campbell, VanDeWege, Rolfes, Kagi, Chase, Liias, Simpson, Barlow, Ericks, Green, Kelley and McDonald).

House Committee on Technology, Energy & Communications

House Committee on Appropriations

Senate Committee on Consumer Protection & Housing

Background: In 2005 legislation was enacted that prohibited wireless telephone companies from publishing a subscriber's wireless phone number in a directory without first obtaining the subscriber's express, opt-in consent. Consent must be obtained in writing or electronically, and a receipt must be provided to the subscriber. The subscriber may revoke his or her consent at any time, and the company must comply with the subscriber's request within a reasonable period of time. In addition, the subscriber may not be charged for choosing not to be listed in the directory.

These restrictions were limited to wireless telephone companies and did not restrict third parties from including a subscriber's wireless phone number in a public directory.

Summary: The restrictions on including wireless phone numbers in a directory are extended to cover "directory providers." A directory provider is defined as any person in the business of marketing, selling, or sharing the phone number of any subscriber for commercial purposes.

Reasonable Investigation. Before including any phone number in a directory, a directory provider must undertake an ongoing, reasonable investigation to determine whether the number is a wireless number. A directory provider is presumed to have undertaken a reasonable investigation if the directory provider compares the phone number against a commercially available list of wireless numbers or ported numbers at least

every 30 days. The directory provider also must use up-to-date, available technology when conducting its investigation.

If the investigation reveals that the number is a wireless phone number, the directory provider may not include the number in a directory, unless the subscriber of the wireless phone number has given his or her express, opt-in consent or unless an exception applies. Providers of reverse lookup services are exempt from these opt-in requirements.

Pre-existing Directories. A directory provider that has maintained a directory before the effective date of this act must within 30 days either: (1) secure the express, opt-in consent of each subscriber in the directory; or (2) remove the wireless phone numbers of any subscribers who have not provided their express, opt-in consent. These restrictions do not apply to the following: (1) a directory provider that has conducted a reasonable investigation and is unable to determine whether the number is a wireless number; (2) a person who publishes a wireless phone number in a directory where the subscriber pays a fee to have the number published for commercial purposes; (3) a person who publishes a wireless phone number in a directory that is obtained directly from a radio communications service company where the radio communications service company has already obtained express, opt-in consent; (4) a person who publishes a subscriber's phone number that was ported from listed wireline service to wireless service within the previous 15 months; and (5) providers of reverse phone number search services.

Reverse Phone Number Search Services. Providers of reverse phone number search services must allow a subscriber to perform a reverse phone number search for free to determine whether the subscriber's wireless number is contained in the provider's directory or database.

Subscribers may opt-out of having their wireless number included in a reverse phone number search service at any time. A violation of this requirement is a violation of the Consumer Protection Act.

Penalties. If a directory provider includes a wireless phone number in a directory without the subscriber's express opt-in consent, the directory provider may be fined up to \$50,000 for violating the act. However, a directory provider has not violated the act if it includes a wireless number in a directory after it undertook a reasonable investigation and was unable to determine whether the number was a wireless number.

Votes on Final Passage:

House	92	3	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

ESHB 2480

C 123 L 08

Concerning public transportation fares.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, McIntire and Simpson).

House Committee on Transportation
Senate Committee on Transportation

Background: Public transportation benefit areas (PTBAs), metropolitan municipal corporations (Metros), and city-owned transit systems (city-owned transits) are special purpose districts authorized to provide public transportation services within their respective boundaries. Metros are also authorized to provide a number of other essential public services, including water supply, sewage treatment, and garbage disposal.

Generally speaking, "public transportation service" means the transportation of packages, passengers, and their incidental baggage by means other than by chartered bus or sight-seeing bus, together with the terminals and parking facilities necessary for passenger and vehicular access to and from such systems. For PTBAs, "public transportation service" also includes passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service.

City-owned transits, PTBAs, and Metros do not have specific authority to monitor public transportation service fare payment or to issue civil infractions to passengers who fail to provide proof of fare payment.

Regional transit authorities are specifically authorized to monitor fare payment and to issue civil infractions for, among other things, failure to provide proof of payment.

Summary: Passengers traveling on public transportation operated by PTBAs, Metros, and city-owned transits are required to pay the established fare and to provide proof of payment when requested to do so by persons designated to monitor fare payment.

Metros, PTBAs, and city-owned transits are authorized to designate persons to monitor fare payment, and to establish a schedule of civil fines and penalties for civil infractions related to fare payment violations. A civil infraction not to exceed \$250 may be issued by designated fare monitors to passengers who: fail to pay the fare; fail to provide proof of payment when requested to do so by a person designated to monitor fare payment; or refuse to leave the bus when asked by a person designated to monitor fare payment. The authority to issue civil citations for fare payment violations is supplemental to any other existing authority to enforce fare payment.

Votes on Final Passage:

House	84	10	
Senate	48	0	(Senate amended)
House	86	8	(House concurred)

Effective: June 12, 2008

SHB 2482

C 196 L 08

Addressing the signature validation process for petitions that seek annexation.

By House Committee on Local Government (originally sponsored by Representative Moeller).

House Committee on Local Government
Senate Committee on Government Operations & Elections

Background: State law includes provisions governing voter and property owner petitions, including petitions for annexation, that may be initiated and submitted to a city. The provisions include requirements pertaining to:

- petition formats;
- textual requirements;
- sufficiency requirements; and
- qualifications for signing.

Summary: Provisions governing petitions that may be submitted to cities are modified. Any duly authorized corporate officer may take an oath and sign an annexation petition on behalf of a corporation. A person exercising this authority must attach an affidavit to the petition stating that he or she is authorized by the corporation to sign on its behalf.

Votes on Final Passage:

House	96	0	
Senate	43	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

SHB 2496

FULL VETO

Enhancing the mobility of certified public accountants.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Williams, Condotta, Moeller, Chandler, Green, Hurst, Wood, McIntire, Kenney and Chase).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: The Public Accountancy Act (Act) governs the practice of accounting in the state. Under the Act, both accountants and accounting firms must be

licensed to hold themselves out as Certified Public Accountants or CPAs. The Board of Accountancy (Board) adopts rules, conducts investigations, and otherwise administers the Act.

Accountants and accounting firms perform various services which must meet certain professional standards depending on the type of service. The Board conducts a quality assurance review (QAR) program to review the work of licensees.

An individual whose principal place of business is outside Washington may obtain a practice privilege to practice without a Washington license if the person meets substantial equivalency requirements. The individual must either: (1) be licensed in a *state* whose entry requirements are substantially equivalent to Washington's requirements; or (2) as an *individual*, meet the entry requirements that are substantially equivalent to Washington's requirements. To have the practice privilege, qualifying persons must notify the Board of their intent to "enter the state" and pay a fee. By rule, the Board interprets the notice and fee requirements to apply to individuals who spend more than 10 percent of their total work hours on activities conducted within the state or who conduct other specified activities in the state.

Out-of-state sole practitioner CPAs who have a practice privilege may perform all accounting work. Other practitioners who do specified work may do so only if the firm has a Washington license.

As a condition of exercising the practice privilege, an out-of-state CPA consents to the personal and subject matter jurisdiction of the Board and to the appointment of his or her home state board as the agent for service of process. If a board in another state makes a complaint, the Washington Board has authority to investigate.

"State" is defined to mean the District of Columbia, Puerto Rico, Guam, and the Virgin Islands, in addition to the 50 states.

Summary: The Legislature finds that the multiple state requirements for CPAs are cumbersome and an unnecessary constraint on the consumers of professional certified public accountant services.

The notice and fee requirements for the exercise of practice privileges by out-of-state CPAs are eliminated. The consent to jurisdiction for the practice privilege is broadened so that the firm, in addition to the individual, consents to personal and subject matter jurisdiction and both the firm and the individual consent to the disciplinary authority of the Board. In addition, if the individual's license from the other state is no longer valid, the individual agrees to stop practicing in Washington. The practice privilege and consent no longer apply only to CPAs who "enter the state."

The types of services that may be performed by individuals with practice privileges are modified. If certain attest services are performed by an individual with practice privileges for an entity with its home office in

Washington, the firm must have a Washington license. These services are audits and examinations of prospective financial information performed in accordance with specified standards and any engagement to be performed in accordance with certain federal standards. Other services may be performed by an individual with practice privileges if the firm meets QAR program requirements. These services are reviews of financial statements and compilations, in accordance with specified standards.

The criteria for substantial equivalency are specified. A substantially equivalent state is one that requires: (1) at least 150 semester hours of college or university education, including a degree; (2) a passing grade on the uniform CPA exam; and (3) at least one year of experience. The Board may exempt an individual from the education requirement if the individual held a valid license before January 1, 2012.

A provision allowing the Board to exempt individuals with practice privileges from continuing education requirements is deleted, as is a provision allowing the Board to accept a national organization's designation of substantial equivalency.

The Board's relationship with other boards is changed. The Board must (rather than may) investigate any complaint made by a board and must also cooperate with the other boards, including boards in other jurisdictions beyond the defined states.

New definitions are provided in statute. These include definitions of "attest" and "compilation."

The Commonwealth of the Northern Marianas Islands (CNMI) is a "state" for purposes of out-of-state practice privileges when the Board determines that the CNMI is issuing licenses under the substantially equivalent standards.

Housekeeping changes are made.

Votes on Final Passage:

House	97	0
Senate	47	0

VETO MESSAGE ON SHB 2496

March 14, 2008

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval, Substitute House Bill 2496 entitled:

"AN ACT Relating to enhancing the mobility of certified public accountants."

This bill is a duplicate of Substitute Senate Bill 6604, which I am signing today. Substitute House Bill 2496 is therefore redundant.

For these reasons, I have vetoed Substitute House Bill 2496 in its entirety.

Respectfully submitted,



Christine Gregoire
Governor

HB 2499
C 59 L 08

Addressing the materials required to accompany notice under the Washington business corporation act.

By Representatives Pedersen and Rodne.

House Committee on Judiciary
Senate Committee on Judiciary

Background: State Notice Rules. The Washington Business Corporation Act (WBCA) authorizes various methods by which required notices and accompanying materials may be delivered to shareholders and directors, and identifies the requirements that must be satisfied for notice to be effective.

Except in the case of a meeting of the board of directors, which may be communicated orally, notice to shareholders and directors and accompanying materials must be provided in the form of a "record," meaning that information must be inscribed on a tangible medium or contained in an electronic transmission.

In certain circumstances, the WBCA requires additional materials to accompany a meeting notice to directors or shareholders. For example, when the subject of the meeting involves an amendment to the articles of incorporation, a copy of the proposed amendment must accompany the meeting notice.

An electronic transmission of notice and accompanying materials is effective only if the recipient shareholder or director has "opted-in" by giving affirmative consent to receive electronic notifications. A corporation may provide a notice and accompanying materials to those who opt-in by posting information on an electronic network and delivering to the shareholder or director a separate record of the posting, including comprehensive instructions on obtaining access to the posting on the electronic network.

Companies with a large or frequently changing shareholder base may encounter difficulty in obtaining consent from each shareholder for electronic transmission of information. As a result, these companies typically rely on physical delivery methods to provide notice and required additional materials to shareholders.

Public companies commonly deliver via mail physical copies of notices to shareholders and additional materials required under state law with proxy statements required by the Securities and Exchange Commission (SEC).

Federal "E-proxy" Rules. In July of 2007, the SEC adopted mandatory "e-proxy" rules defining the manner in which proxy materials for securities registered under Section 12 of the Securities Exchange Act of 1934 must be provided to shareholders. According to the SEC's rule summary, the e-proxy amendments are intended to enhance the ability of investors to make informed voting decisions and to expand use of the Internet to lower the cost of proxy solicitation.

Under the new rules, effective January 1, 2008, for "large accelerated filers" and January 1, 2009, for all other filers, a company may choose to provide notice to shareholders according to the "notice only" or "full set delivery" options. Both options require companies to post proxy materials on a publicly accessible website and to provide paper copies of the posted material upon shareholder request.

Full Set Delivery. The "full set delivery" option allows a company to continue the traditional method of delivering paper copies of proxy materials to shareholders, but also requires the company to send notice and post the proxy materials on an Internet website.

Notice Only. The "notice only" option requires a company to post proxy materials on an Internet website and send a notice to shareholders to inform them of the availability of the materials on the Internet.

The content of the notice of Internet availability required under both options is strictly limited to the information allowed in the e-proxy rules, except that the notice may be incorporated or combined with a meeting notice required under state law.

Implications for Washington Companies. A Washington public company choosing the "notice only" option for delivery of proxy materials may continue to engage in the practice of combining required state law meeting notices with the federally required proxy statement. However, it is not clear that any additional materials required to accompany a meeting notice under the WBCA may be included with the meeting notice and proxy statement under the new SEC e-proxy rules.

A Washington company may be required to continue to rely on mailing physical copies of notice and accompanying additional materials to ensure compliance with the WBCA's notice requirements, since electronic notice is effective under the WBCA only to shareholders and directors who have given affirmative consent to electronic transmissions.

Summary: A public company may satisfy its requirement under the Washington Business Corporation Act to accompany a notice to shareholders with certain additional material by (1) posting the additional material on an electronic network at or prior to the time the notice is delivered to the shareholders, and (2) delivering to the shareholders a separate record of the posting, together with comprehensible instructions regarding how to access the posting on the electronic network.

The electronic posting is effective to satisfy the company's requirements to provide the additional material with a notice, whether or not a shareholder has consented to receive notice by electronic transmission.

A public company electing to post required additional materials on an electronic network must provide a copy of the additional materials in a tangible medium to any shareholder entitled to such notice who makes a request.

Votes on Final Passage:

House 95 0
Senate 49 0

Effective: June 12, 2008

2SHB 2507

C 293 L 08

Expanding the statewide first responder building mapping information system to higher education facilities.

By House Committee on Capital Budget (originally sponsored by Representatives O'Brien, Ormsby, Hurst, Goodman, VanDeWege, Liias, Barlow, Green, Kelley, Warnick and Simpson).

House Committee on Public Safety & Emergency Preparedness

House Committee on Capital Budget

Senate Committee on Higher Education

Senate Committee on Ways & Means

Background: Building mapping provides electronic pre-incident plans of a building. Each map is a blueprint describing every room located in the building, along with its dimensions. A building map information can include:

- floor plans;
- fire protection information;
- evacuation plans;
- utility information;
- known hazards; and
- other information important to emergency personnel responding to a disaster or emergency.

The maps are designed to give the emergency responder as much information about the physical structure of the building as possible. The maps are saved in a centralized database that can be made available to emergency response agencies equipped with portable computers.

In 2001 the Washington Association of Sheriffs and Police Chiefs (WASPC) received federal funding for a pilot program to create critical incident mapping in public schools in eight counties. A cooperative partnership was established between the WASPC, the Association of Washington School Principals, and the Washington State Association of Fire Chiefs. Funding was provided by the year 2003, and the Legislature extended this system to

every high school in the state. By the end of 2007 all public schools in Washington were mapped.

In 2003 the WASPC was directed by law to create and operate a Statewide First Responder Agency Building Mapping Information System. All state and local government-owned buildings were to be mapped by the WASPC or another source, contingent on funding. Once the buildings were mapped, the mapping information data was forwarded to the WASPC. All participating owners of non-government buildings were authorized to voluntarily forward their mapping and emergency data to the WASPC.

All building mapping information is available to all state, local, federal, and tribal law enforcement agencies, along with the Military Department and fire departments.

Summary: The Washington State Patrol (WSP) and the WASPC, in consultation with the State Board for Community and Technical Colleges, the Council of Presidents, the Independent Colleges of Washington, and the Department of Information Services must complete a needs analysis and fiscal impact study.

The study must include the following:

- an assessment of all public and independent colleges and universities to determine whether campus emergency and critical incident plans are up-to-date, comprehensive, and regularly exercised;
- an evaluation of the potential risks associated with individual types of buildings on all campuses and recommended buildings that are a high priority for addition to the Statewide First Responder Building Mapping Information System;
- a financial analysis and timelines associated with adding priority campus buildings to the Statewide First Responder Building Mapping Information System; and
- an assessment of campus emergency notification systems or devices, including emergency radio systems, to determine functionality in the campus environment, the adequacy of coverage throughout a campus, and operational compatibility with the radio systems and frequencies utilized by state and local responding agencies.

The WASPC must report its findings to the Governor and the Legislature by November 1, 2008.

Votes on Final Passage:

House 94 0
Senate 46 0 (Senate amended)
House 97 0 (House concurred)

Effective: June 12, 2008

HB 2510
C 142 L 08

Allowing medicare only health insurance benefits for certain employees of political subdivisions under a divided referendum process.

By Representatives Simpson, O'Brien and Appleton.

House Committee on Local Government
Senate Committee on Ways & Means

Background: Federal Law: Federal/State Agreements Regarding Federal Retirement Benefits and Public Employee Retirement Systems. The Social Security Act (SSA) authorizes the states and the federal government to enter into agreements regarding how federal retirement benefit programs such as Medicare and Social Security will be incorporated into retirement systems implemented by the states for their public employees, both state and local. Pursuant to such agreements, the SSA allows the states considerable flexibility in determining which state/local government retirement systems will participate in the various federal retirement benefit programs. Absent a specific agreement with the federal government, a state or local retirement system will not include federal retirement benefits, and the employees without such benefits will not be assessed the pertinent federal payroll taxes.

The provisions of the SSA allow a state to implement a referendum process to determine whether or not a state or local retirement benefits coverage group will participate in federal retirement benefit programs. Under this process, eligible employees must participate in such federal programs in accordance with the state/federal agreement provided the following conditions are met:

- eligible employees participate in a referendum by secret written ballot on the question of whether the positions covered by the retirement system should be included or excluded from participation in the federal programs;
- eligible employees were given an opportunity to vote on the referendum;
- not less than 90 days notice of such referendum was given to all eligible employees;
- the referendum is conducted under the supervision of the Governor or an agency or individual designated by her or him; and
- a majority of the eligible employees vote in favor of participating in the federal retirement programs in accordance with the state/federal agreement.

Federal law also allows the state to utilize an alternative referendum process, sometimes referred to as the "divided referendum" process that, once completed, results in the division of the retirement system into two separate divisions or parts: (1) one division that will participate in the federal retirement programs and is composed of those employees who voted in favor of the referendum; and (2) one division that does not

participate in the federal programs and is composed of those employees who voted against the referendum.

Washington Law: Federal Retirement Benefits Programs and Public Employee Retirement Systems. State law pertaining to the regulation of public employee retirement systems codifies and implements most of the basic features of the federal law outlined above. Under state law, and consistent with the SSA, the Governor is authorized to enter into an agreement with the federal government for the purpose of extending the benefits of federal retirement programs to the employees of the state and local governments. Such an agreement may contain a wide range of provisions relating to coverage, benefits, contributions, effective date, modification, termination of the agreement, and administration. The state regulatory scheme includes the basic referendum process outlined in the SSA allowing simple majority rule, but does not include the divided referendum process that results in the division of a single retirement system into two divisions or parts with different coverage provisions.

Under state law, those law enforcement officers and firefighters covered by the Washington Law Enforcement Officers and Firefighters Retirement System Act (Act) are recognized as a separate coverage group for the purposes of the federal/state retirement benefits agreement authorized by the SSA. With respect to obtaining the retirement coverage offered under the federal retirement benefits system, those law enforcement officers and firefighters covered by the Act are subject to the basic, majority rule referendum procedure outlined under state law and the SSA.

Summary: Law enforcement officers, firefighters, and other public employees participating in qualified retirement systems may obtain Medicare coverage through the divided referendum process. Following the completion of this process, those members voting in favor of Medicare coverage will constitute a coverage group separate from those members voting against the referendum and, accordingly, the retirement system will be divided into two divisions or parts with alternative coverage provisions.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

2SHB 2514

C 225 L 08

Protecting orca whales from the impacts from vessels.

By House Committee on Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Quall, Appleton, McCoy, Morris, McIntire, Nelson, Kagi and Upthegrove).

House Committee on Agriculture & Natural Resources
House Committee on Appropriations Subcommittee on General Government & Audit Review
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Orca (*Orcinus orca*). The Orca is the official marine mammal of Washington.

The federal government listed a population of Orcas, known as the Southern Residents, as "endangered" under the Endangered Species Act in December 2005. These Orcas spend each summer and fall in Washington's Puget Sound. The population is composed of three family groups of whales that have been named J, K, and L pods.

Some of the possible causes of the Southern Resident's decline are: reduced quantity and quality of prey; persistent pollutants that cause immune or reproductive system dysfunction; oil spills; and noise and disturbance from vessels. Federal rule implementation is estimated to occur by late 2009.

In the summer of 2007, San Juan County passed a local ordinance to protect the endangered Southern Resident Orca whale population from boaters. The San Juan County ordinance is based on the "Be Whale Wise" guidelines developed by the Whale Watch Operators Association Northwest and the Whale Museum Sound Watch Boater Education Program. County marine enforcement may issue citations for those boaters harassing the whales within San Juan County waters.

Boating Safety Laws. Washington's boating safety laws are administered by the Washington State Parks and Recreation Commission (State Parks). Every law enforcement officer in Washington and its political subdivisions has the authority to enforce the boating laws, including county sheriffs, officers of other local law enforcement entities, the Washington State Patrol, state park rangers, and the Washington Department of Fish and Wildlife (WDFW).

Natural Resource Infractions. A natural resource infraction is a monetary penalty of no more than \$500 for each offense, unless specifically authorized by statute. Natural resource infractions are non-criminal offenses.

Summary: It is a natural resource infraction to approach or cause a vessel to approach within 300 feet of a southern Orca whale. It is also a natural resource infraction to intercept, feed, or fail to disengage the transmission of a vessel within 300 feet of a southern Orca whale.

A person is exempt from these requirements if a reasonably prudent person in that person's position would determine that compliance with the requirements would threaten the safety of the vessel, crew, or its passengers, or vessel design limitations make complying infeasible, or weather conditions restrict the vessel's maneuverability. Also exempt are commercial fishers actively tending to their gear, officials on duty, and people authorized by a state or federal agency.

The WDFW and the State Parks will disseminate information about the new regulations regarding southern Orca whales, current whale and wildlife viewing guidelines, and other responsible wildlife viewing messages.

Washington law enforcement is encouraged to utilize all existing statutes and regulations, including the boating safety laws, to protect southern Orca whales from the impacts of vessels.

Votes on Final Passage:

House	67	27	
Senate	41	7	(Senate amended)
House	71	22	(House concurred)

Effective: June 12, 2008

SHB 2525

C 272 L 08

Mitigating flood damage.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Pearson, Kretz, Kristiansen and Ross).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Hydraulic Project Approvals. Before beginning a construction project, a person must obtain a hydraulic project approval (HPA) for any project that will use, divert, obstruct, or change the natural flow or bed of any of the salt or fresh waters of the state. The HPAs are issued by the Washington Department of Fish and Wildlife (WDFW) to ensure the proper protection of fish life.

Generally, the WDFW has 45 days to decide on an HPA application. However, an immediate oral HPA is authorized for certain projects if the WDFW or a county legislative authority declares an emergency. If an oral permit is issued on an emergency basis, the conditions of the oral approval must be reduced to an actual paper permit with 30 days.

State of Emergency. The Governor has the authority to declare a state of emergency after making a finding that a public disorder, disaster, energy emergency, or riot exists within the state that affects life, health, property, or the public peace. The state of emergency can be issued

statewide, or in any affected area of the state. The declaration of an emergency defines the geographic area of the affected portion of the state.

Summary: State of Emergency. The instances when the WDFW is able to issue emergency oral approvals of HPA is expanded to include instances when the Governor declares a state of emergency due to flooding.

Chronic Flood Dangers. A county may declare that a chronic danger exists for a particular property not located on a marine shoreline if that property has experienced at least two consecutive years of flooding or erosion that threatens a property or its infrastructure. If a chronic danger is declared, then the WDFW must issue an approval under the HPA program to remove obstructions, restore banks and roads, repair structures, and protect property and fish resources.

Projects undertaken to mitigate a chronic flood danger are not required to undergo an analysis under the State Environmental Policy Act if the project is designed consistent with fish habitat enhancement projects that primarily utilize native vegetation to control flowing water.

Votes on Final Passage:

House	87	8	
Senate	43	3	(Senate amended)
House			(House refused to concur)
Senate			(Senate receded)
Senate	47	2	

Effective: June 12, 2008

E2SHB 2533

C 197 L 08

Concerning attachments to utility poles of locally regulated utilities.

By House Committee on Appropriations (originally sponsored by Representatives McCoy, Chase and Quall).

House Committee on Technology, Energy & Communications

House Committee on Appropriations

Senate Committee on Water, Energy & Telecommunications

Background: Telecommunications services providers often must use poles, ducts, conduits, or rights-of-way of competitors, other utility service providers, or governmental entities to serve new or expanded customer bases. The Federal Communications Commission (FCC) regulates the rates, terms, and conditions for pole attachments by cable television and telecommunications services providers or investor-owned utilities (IOUs), unless a state has adopted its own regulatory program. In Washington, the Utilities and Transportation Commission (UTC) has been granted authority to regulate attachment to poles owned by IOUs.

The UTC is prohibited from regulating the activities of consumer-owned utilities, which include public utility districts (PUDs), municipal utilities, and rural electric cooperatives. Attachments to poles owned by consumer-owned utilities are regulated by the utility's governing board. The rates, terms, and conditions made, demanded, or received by a consumer-owned utility must be just, reasonable, nondiscriminatory, and sufficient.

If a dispute arises regarding the rates, terms, or conditions of an attachment to a pole owned by a telecommunications company or an IOU, the aggrieved party may appeal to the UTC for resolution of the dispute. If dissatisfied, either party can appeal the UTC's decision to the courts.

If a dispute arises regarding an attachment to a pole owned by a consumer-owned utility, the aggrieved party may not appeal to the UTC, but may appeal to the utility's governing board or the courts.

Summary: Pole Attachment Rates. A PUD must establish pole attachment rates that are just and reasonable. A just and reasonable rate for an attachment to a pole owned by a PUD must be calculated using a two-part formula:

Part 1: The first part of the formula consists of the additional costs of procuring and maintaining pole attachments, but may not exceed the actual capital and operating expenses of the PUD attributable to the portion of the pole, duct, or conduit used for the pole attachment. This part of the formula must also include a share of the required support and clearance space, in proportion to the space used for the pole, as compared to all other uses available.

Part 2: The second part of the formula consists of the additional costs of procuring and maintaining pole attachments, but may not exceed the actual capital and operating expenses of the PUD attributable to the share of the required support and clearance space, which is divided equally among the PUD and all attaching licensees, in addition to the space used for the attachment. The sum of these elements is divided by the height of the pole.

A just and reasonable rate for an attachment to a pole owned by a PUD is computed by adding one-half of the rate component under Part 1 of the formula and one-half of the rate component under Part 2 of the formula.

In lieu of the calculation outlined in Part 1 of the two-part formula, a PUD may elect to establish a rate according to the FCC Cable Formula as it exists on the effective date of this act or as it may be amended by the FCC by rule in the future, provided such amendment by rule is consistent with the purposes of this act.

Request for an Attachment. If a licensee applies for an attachment to a PUD's pole, the PUD must respond within 45 days of receipt of the request. A PUD must notify a licensee as to whether the application has been

accepted or rejected within 60 days of the application being deemed complete, unless a longer time frame has been established and agreed upon by the parties. A PUD may only deny a request to attach to a pole if there is insufficient capacity or for reasons related to safety, reliability, or engineering concerns.

Legislative Findings. It is the policy of the state to encourage the joint use of utility poles, to promote competition of telecommunications and information services, and to recognize the value of infrastructure owned by PUDs. To achieve these objectives, the Legislature intends to establish a consistent, cost-based formula for calculating pole attachment rates to ensure greater predictability and consistency in pole attachments rates statewide, as well as to ensure that PUD customers do not subsidize licensees.

Votes on Final Passage:

House	94	1	
Senate	46	3	(Senate amended)
House	92	1	(House concurred)

Effective: June 12, 2008

2SHB 2537

C 143 L 08

Modifications to the health insurance partnership act.

By House Committee on Appropriations (originally sponsored by Representatives Cody, Hasegawa, Kenney, Morrell, Green and Loomis).

- House Committee on Health Care & Wellness
- House Committee on Appropriations
- Senate Committee on Health & Long-Term Care
- Senate Committee on Ways & Means

Background: In 2007 the Legislature established a Health Insurance Partnership (Partnership) within the Health Care Authority (Authority) to serve small employers beginning in September 2008. If funding is provided by the Legislature, the Partnership will provide a premium subsidy for low-income employees with incomes below 200 percent of the federal poverty level.

A seven-member Health Insurance Partnership Board (Board) was established. Members include the Authority administrator and individuals with expertise in the health insurance market and benefit design. The Board will designate the health plans eligible for premium subsidy from plans available in the private small group market, approved by the Office of the Insurance Commissioner. They must include at least four plans, with multiple cost-sharing and deductible options, and plans will range from high deductible/catastrophic to comprehensive. Designated plans must include innovative components, such as preventive care, chronic care management, wellness incentives, and payments related to quality of care. The Board will determine a mid-range

plan that will be used as the benchmark for the premium subsidy, and the premium subsidy will be developed similar to the sliding scale used for the Basic Health Plan. The Board will determine minimum employee participation requirements and whether there should be a minimum employer contribution; employers continue to determine employee eligibility and their contributions. The Board will evaluate rating methodologies and impacts on applying small group market ratings within a partnership, and it will consider options to manage carrier uncertainty through risk adjustment, reinsurance, or other mechanisms.

By December 1, 2008, the Partnership must report to the Legislature and the Governor on the risks and benefits of incorporating the individual and small group markets into the Partnership. By September 1, 2009, the Partnership must report to the Legislature and the Governor on the risks and benefits of incorporating the high risk pool, the Basic Health Plan, the Public Employees Benefits Board, and public school employees, as well as the impact of requiring all residents over 18 years of age to be covered.

The Board has identified a number of issues that must be addressed prior to making subsidized health coverage available to employees of small business through the Partnership. These issues include: placing limits on an employee's ability to choose a health plan, providing a funding source for subsidies, funding administrative expenses, resolving potential conflicts between the Partnership statute and the health insurance provisions of Title 48 RCW, providing a longer implementation time line, and allowing employers to participate in the Partnership regardless of the employees' subsidy status.

Summary: The Partnership Board (Board) is authorized to limit the number of small group plans that will be offered and limit the plans that will be eligible for a subsidy. The requirement that participating employers must have at least one employee eligible for a subsidy is deleted. The Board is authorized to limit an individual's health plan choice and limit coverage of former employees to those eligible for COBRA continuation coverage for up to two years from when the Partnership begins to offer coverage. Employers must attest they are not offering health insurance and at least 50 percent of their employees are low-wage workers.

Language authorizing the Board to offer and administer the small employer's group health benefit is deleted. Both the small employer and his or her employees are eligible to purchase health coverage through the Board. The Board will not act in the role of the small employer's health plan sponsor. The Authority must coordinate premium subsidies for dependent children with available federal programs administered by the Department of Social and Health Services.

Votes on Final Passage:

House 54 40
 Senate 27 22 (Senate amended)
 House 63 32 (House concurred)

Effective: June 12, 2008

HB 2540
 C 294 L 08

Regarding the advisory committee that represents the interest of hunters and fishers with disabilities.

By Representatives Warnick, Walsh and Kristiansen.

Background: The 2001 Legislature created a temporary advisory committee to the Fish and Wildlife Commission (Commission) that generally represents the interests of hunters and fishers with disabilities. These interests include special hunts, modified sporting equipment, access to public lands, and increased hunting and fishing opportunities. The seven members of the advisory committee were appointed by the Commission and, in accordance with the 2001 law, are comprised of individuals with disabilities representing the six Department of Fish and Wildlife administrative units and one member appointed at large.

The advisory committee was originally set to terminate on July 1, 2005, and was extended three additional years until July 1, 2008. The Commission was required to submit a report to the Legislature in 2007 that detailed the effectiveness of the advisory committee and recommended whether the advisory committee should be continued or modified.

In its report to the Legislature, the Commission stated that the advisory committee presented information that led to rule-making decisions that benefitted the community of disabled hunters, fishers, and wildlife viewers. The Commission concluded in its recommendation that the advisory committee be extended until July 1, 2011.

Summary: The advisory committee to the Fish and Wildlife Commission that represents the interests of hunters and fishers with disabilities is changed from a pilot project into a permanent entity.

Votes on Final Passage:

House 95 0
 Senate 48 0

Effective: June 12, 2008

HB 2542

C 226 L 08

Providing for the enforcement of cigarette taxes through regulation of stamped and unstamped cigarettes.

By Representative Ericks; by request of Department of Revenue.

House Committee on Finance
 Senate Committee on Ways & Means

Background: Cigarettes are subject to tax at a rate of \$2.025 per pack of 20 cigarettes. Revenue from the first 23 cents of the cigarette tax goes to the General Fund. The next 8 cents are dedicated to water quality improvement programs through June 30, 2021, and to the State General Fund thereafter. The next \$1.01 goes to the Health Services Account. The next 10.5 cents are dedicated to the Violence Prevention and Drug Enforcement Account. The remaining 60 cents go to the Education Legacy Trust Account. A portion of the revenue to the Health Services Account and the Education Legacy Trust Account is used to reimburse the other accounts for losses in revenue due to tax rate increases.

The retail sales tax applies to the selling price of tangible personal property and certain services purchased at retail. Retail sales and use taxes are also imposed on sales of cigarettes.

The tax is levied at a 6.5 percent rate by the state. Cities and counties may levy a local tax. The state and local combined sales tax ranges from 7.5 percent to 8.9 percent.

The Department of Revenue administers and collects the cigarette tax. Enforcement activities are the responsibility of the Liquor Control Board (LCB). In addition, the U. S. Bureau of Alcohol, Tobacco and Firearms (ATF) enforces federal legislation through the Contraband Cigarette Trafficking Act. As part of the enforcement system, state law requires prior notice to the LCB by cigarette importers intending to bring unstamped cigarettes into Washington.

In 2007 the U.S. Court of Appeals for the Ninth Circuit issued a decision in a case involving transportation of unstamped cigarettes into Washington. In *U. S. v. Smiskin* the court ruled that the state cannot require advanced notice for a member of the Yakama Nation who might be in possession of unstamped cigarettes, because this would violate the member's right to travel freely, a right specified in the 1855 treaty between the Yakama tribe and the federal government.

Summary: An intent section affirms the state's intention to honor the treaty rights of the Yakama Nation, while protecting the state's ability to enforce its cigarette tax laws. The right of Yakama tribal members to travel upon all public highways of the state is specifically affirmed.

Cigarette tax statutes are amended to augment the ability of the LCB and the ATF to take enforcement actions against violations of federal and state law. New language includes:

- (1) a statement that the state intends to collect its cigarette taxes on sales by a tribe to persons who are not members of the tribe, unless a cigarette tax contract between the tribe and the state is in force;
- (2) a statement that enrolled members of tribes are exempt from state taxes on cigarettes purchased for their own use from the member's own tribal organization. Other purchasers of cigarettes from a tribal organization are not exempt from the state tax. However, any tribal cigarette tax enacted pursuant to a contract with the state takes precedence over the requirement to pay the state cigarette tax;
- (3) the establishment of a gross misdemeanor for processing or receiving 10,000 cigarettes or less and a class C felony for receiving more than 10,000 cigarettes unless the proper stamps are applied to the cigarettes or the person is authorized to possess unstamped cigarettes; and
- (4) a requirement for advanced notice to the LCB by any purchaser or consignee, including an Indian tribal organization, who receives unstamped cigarettes.

Votes on Final Passage:

House	94	0
Senate	48	0

Effective: June 12, 2008

HB 2544

C 137 L 08

Concerning tax exemptions for temporary medical housing provided by health or social welfare organizations.

By Representatives Hunter, Orcutt, Ericks, Moeller, Ormsby, McIntire, Kenney and Conway; by request of Department of Revenue.

House Committee on Finance
Senate Committee on Ways & Means

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. Use taxes apply to the value of most tangible personal property and some services when used in this state, if retail sales taxes were not collected when the property or services were acquired by the user. Use tax rates are the same as retail sales tax rates. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 2.4 percent, depending on the location. The average local tax rate is 2.0, for an average combined state and local tax rate of 8.5 percent.

State and local sales taxes apply to lodging rentals by hotels, motels, rooming houses, private campgrounds,

RV parks, and similar facilities. "Hotel-motel" taxes (also called lodging taxes in some cases) are special sales taxes on lodging rentals. Some hotel-motel taxes are credited against the state sales tax rather than being added to rental charges paid by customers. Other hotel-motel taxes are imposed in addition to ordinary state and local sales taxes and are added to the amount paid by the customer.

Temporary medical housing facilities provide lodging and related services to patients or their immediate families while the patient is undergoing medical treatment at a hospital or affiliated outpatient clinic. If the patient is receiving treatment on an outpatient basis, then both the patient and the immediate family may obtain lodging at these facilities. If the patient is confined to a hospital while receiving treatment, the immediate family may reside at the facility on a temporary basis. There are known to be nine establishments that provide this kind of temporary medical housing: three in Seattle, two in Spokane, two in Wenatchee, and one each in Tacoma and Olympia.

Summary: Temporary medical housing provided by a health or social welfare (nonprofit) organization is exempted from state and local sales taxes and similar charges on lodging. To qualify, the housing must be provided to the patient or patient's family while the patient is receiving medical treatment at a hospital licensed in Washington or the patient is recuperating or under observation following medical treatment at a licensed hospital.

Votes on Final Passage:

House	96	0
Senate	49	0

Effective: July 1, 2008

E2SHB 2549

C 295 L 08

Establishing a patient-centered primary care collaborative program.

By House Committee on Appropriations (originally sponsored by Representatives Seaquist, Lantz, Morrell, Liias, Barlow and Green).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: In 2007 legislation was enacted that provided health care coverage to children with family incomes at or below 250 percent of the federal poverty level. As part of the legislation, the Department of Social and Health Services (DSHS) was directed to identify explicit performance measures that indicate that a child has an established and effective medical home and report the measures to the Legislature by December

2007. In the report, dated November 30, 2007, the DSHS workgroup recommended the adoption of the medical home definition identified in the Washington State Medical Home Fact Sheet, a concept document created by the Washington State Partnership for Medical Homes. The document provides that a medical home is "an approach to delivering primary health care through a 'team partnership' that ensures health care services are provided in a high quality and comprehensive manner."

In separate 2007 legislation, the DSHS was directed to work with the Department of Health (DOH) to design and implement medical homes for its aged, blind, and disabled clients in conjunction with chronic care management programs to improve health outcomes, access, and cost-effectiveness. The legislation provided that the approach was to build on the Washington State Collaborative Initiative, based on a systematic approach to healthcare quality improvement in which organizations test and measure practice innovations. The DOH has implemented the legislation through the Washington State Collaborative to Improve Health, in which several medical teams work to improve the quality of care delivered by their primary practice. The focus areas for the DOH Collaborative are asthma, diabetes, and hypertension for adults, and asthma, medical homes, and obesity for children.

In the same legislation, the DSHS was instructed along with the state Health Care Authority to develop a five-year plan by September 1, 2007, to change provider reimbursement protocols in order to reward quality and incorporate evidence-based standards.

The 2008 State Quality Improvement Institute is a national project that will focus on activities that help the states improve the quality of their health care system. The project is sponsored by Academy Health, an organization for health professionals, and the Commonwealth Foundation, a private foundation that seeks to promote a high-performing health care system. The State Quality Improvement Institute will be held in 2008 and will assist selected states with the conceptualization and implementation of substantial quality improvements.

Summary: The Department of Health (DOH) must establish a medical home collaborative pilot project. The pilot project will be based on the collaborative model developed to implement medical homes for addressing chronic care management programs.

The DOH must report to the appropriate committees of the Legislature on the progress and outcomes of the project with an interim report by January 1, 2009, and a final report by December 31, 2011. The Health Care Authority and the Department of Social and Health Services must also report its findings on changing reimbursement for primary care and a time line for adoption of payment and provider performance strategies by January 1, 2009.

Naturopaths are included in the list of health care providers who may participate in the primary care pilot program.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

SHB 2551

C 158 L 08

Expanding the types of treatment programs provided under the suspended disposition alternative for juveniles.

By House Committee on Human Services (originally sponsored by Representatives Dickerson, Appleton, McCoy, Roberts, Kenney and Kagi).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: The Juvenile Justice Act governs the disposition (or sentencing) of juvenile offenders. It contains a sentencing grid with presumptive sanctions based on the seriousness of the offense and prior criminal history. The court has several sentencing options for juvenile offenders – a standard sentencing range (Option A), suspended disposition alternative (Option B), chemical dependency disposition alternative (Option C), manifest injustice (Option D), or the mental health disposition alternative.

Under Option B, the court may impose the standard range and suspend the sentence on condition that the offender comply with one or more local sanctions and any educational or treatment requirements.

When the juvenile offender is ordered into a treatment program under Option B, the treatment programs provided to the offender must be research-based best practice programs as identified by the Washington State Institute for Public Policy (WSIPP) or the Joint Legislative Audit and Review Committee (JLARC).

If the offender fails to comply with the suspended disposition conditions, the court may order sanctions or revoke the suspended disposition and order the imposition of the original sentence.

Summary: Under Option B, a juvenile offender may enter a treatment program that is a research-based best practice program as identified by the WSIPP or the JLARC. In the case of treatment for chemical dependency, the treatment program may be either evidence-based or research-based best practice chemical dependency treatment program. "Evidence-based" is defined as a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population. "Research-based" is defined as a

program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

2SHB 2557

C 227 L 08

Improving the operation of the trial courts.

By House Committee on Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Goodman, Barlow and Warnick).

House Committee on Judiciary
House Committee on Appropriations Subcommittee on General Government & Audit Review
Senate Committee on Judiciary

Background: The state's trial courts consist of the superior courts, district courts, and municipal courts. Superior courts are courts of general jurisdiction with no limit on the types of civil and criminal cases they may hear. District and municipal courts are courts of limited jurisdiction; their jurisdiction is set by statute. District courts are county courts, and municipal courts are those established by cities and towns.

Jurisdictional Provisions. *District Courts.* Jurisdiction of the district courts is set by statute and includes jurisdiction over both civil and criminal matters. District court has concurrent jurisdiction with superior court over many kinds of civil cases. However, the district court's jurisdiction in these civil cases is limited to actions in which the amount in controversy does not exceed \$50,000. This jurisdictional dollar limit for district courts was last raised in 2000 from the amount of \$35,000.

Small Claims Court. Small claims court is a department of the district court. The hearing and disposition of a small claims court action are informal, and generally the parties may not be represented by attorneys. The parties may offer evidence through witness testimony, and the judge may informally consult witnesses or otherwise investigate the controversy. Small claims court judgments may be appealed to superior court. The jurisdiction of the small claims court is limited to cases for the recovery of money where the amount claimed does not exceed \$4,000. This dollar limit was last raised in 2001 from an amount of \$2,500.

Municipal Court Contracting. Municipal courts have jurisdiction over misdemeanors and infractions arising under city ordinances. Cities are responsible for

prosecuting, adjudicating, sentencing, and incarcerating of adult misdemeanor offenders in their respective jurisdictions. Cities may meet this responsibility by establishing an independent municipal court, establishing a municipal department of the district court, or by contracting for court services through an interlocal agreement.

Most cities that contract for court services do so with the appropriate district court. There are a number of cities that contract for court services with other cities. The Washington Supreme Court recently upheld the authority of cities to enter into interlocal agreements with other cities for court services and determined that a municipal court has the authority to hear cases outside the city's geographical boundaries.

Court Commissioners. District and municipal court judges are authorized to appoint court commissioners to hear and dispose of cases. Commissioners serve at the pleasure of the appointing judges. A court commissioner must be a lawyer admitted to the practice of law in Washington or must have passed an examination for lay judges. Salaries for commissioners are set by local legislative authorities.

District and municipal court commissioners have the same power and authority to hear and dispose of cases as the appointing judges possess and prescribe. This unlimited authority applies to both civil and criminal cases and includes the authority to preside over trials. In contrast, the authority of superior court commissioners to hear and dispose of cases is limited under both statutory and constitutional provisions.

In district court, any party has an automatic right to have a case transferred from a district court commissioner to a district court judge if the party files a petition for transfer prior to a discretionary ruling by the commissioner. The statute specifies that the following are not discretionary rulings: arrangement of the calendar; setting of an action, motion, or proceeding for hearing or trial; arraignment of an accused; or setting of bail. A similar right of transfer is not provided for municipal court commissioners.

Both statutory provisions and court rules allow a party to have a case transferred from a district or municipal court judge by filing an affidavit of prejudice. A judge must disqualify himself or herself if a party files an affidavit that the party cannot have a fair and impartial trial by reason of the interest or prejudice of the judge. The affidavit must be filed before the jury is sworn or the trial is commenced. Only one change of judge is allowed a party in a case.

Municipal Departments. A city may petition the county for the creation of a "municipal department" within the district court. Municipal courts organized as municipal departments are part of the county district court. Under this arrangement, generally the city provides the facilities and the staffing for the court and pays

the county for the services of a district court judge. In practice, there are a variety of differences in organization and operation of the existing municipal departments.

Summary: Jurisdictional Provisions. The dollar limit on the jurisdiction of district courts is raised from \$50,000 to \$75,000.

The dollar limit on the jurisdiction of small claims court is raised from \$4,000 to \$5,000.

Municipal Court Contracting. A provision is added to the chapter of law governing municipal courts that cities may meet their obligations for prosecuting, adjudicating, sentencing, and incarcerating misdemeanor offenders in their jurisdictions by entering into interlocal agreements with the appropriate county or with one or more cities (the hosting jurisdiction). A hosting jurisdiction is given exclusive original jurisdiction over cases filed by the contracting city.

Court Commissioners. The authority of court commissioners in district court and in municipal court (other than Seattle Municipal Court) is limited. A court commissioner may not preside over trials in criminal matters, or over jury trials in civil matters unless agreed to by all parties. This limitation on the authority of commissioners in municipal courts applies beginning on July 1, 2010.

The provision allowing an automatic transfer right of a case from a district court commissioner to a judge is repealed. Instead, the statutory provision regarding disqualification of a district judge is amended to apply to all judicial officers, including court commissioners. A similar provision is applied to judicial officers of municipal courts.

A judicial officer must disqualify himself or herself when a party files an affidavit that the party cannot have a fair and impartial trial by reason of the interest or prejudice of the judicial officer. The affidavit must be filed prior to any discretionary ruling, which does not include: arrangement of the calendar; setting of an action motion or proceeding for hearing or trial; arraignment of the accused; setting conditions of release; or setting of bail. Only one change of judicial officer is allowed each party in an action or proceeding.

Municipal Departments. The chapter of law authorizing a municipality to establish a municipal department of district court is repealed. Existing municipal departments are grandfathered and will continue to operate under the municipal department chapter as it existed prior to its repeal.

Votes on Final Passage:

House	94	0	
Senate	46	1	(Senate amended)
House	93	0	(House concurred)

Effective: July 1, 2008

SHB 2560

C 144 L 08

Defining small employers for purposes of health insurance coverage.

By House Committee on Health Care & Wellness (originally sponsored by Representatives VanDeWege, Kessler, Cody, Morrell, Rolfes, Chase, Barlow, Green and Loomis).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Washington law has a more restrictive definition of "small employer" or "small group" than does federal law. The relevant federal definition of small employer is "...in connection with a group health plan, with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year."

The state definition of a "small employer" or "small group" is more narrow than the federal definition, adding several requirements. These additional requirements include:

- that the employees be "eligible," defined as working a normal work week of 30 or more hours;
- that the majority of these eligible employees be employed within Washington; and
- that the employer not be formed primarily for purposes of buying health insurance and have bona fide employer-employee relationships.

Conflicting federal and state definitions of "small employer" and "small group" may lead to confusion on the part of small employers, health carriers, and the Office of the Insurance Commissioner regarding who may purchase health coverage through the small group insurance market.

Summary: The definitions of "small employer" and "small group" are modified to eliminate an income test for small businesses in order for them to qualify for small group health coverage. The definition of "employee" of a small employer is modified to be consistent with the federal definition found in the Employee Retirement Income Security Act of 1974 that was in effect on January 1, 2008.

Votes on Final Passage:

House	95	0
Senate	44	0

Effective: June 12, 2008

HB 2564
C 125 L 08

Adding bicyclist and pedestrian safety information to drivers' education curriculum.

By Representatives Upthegrove, Pedersen, VanDeWege, Ormsby, Hunt, Wood, McIntire, Roberts, Hudgins, Jarrett, Rolfes, Kagi, Chase and Simpson.

House Committee on Transportation
Senate Committee on Transportation

Background: The Department of Licensing (DOL) is responsible for overseeing the commercial driver training school program. Driver training schools must meet standards set by the DOL, and driver training schools must be annually approved by the DOL.

The Driver Instructors' Advisory Committee (Advisory Committee) reviews and updates the curriculum for driver training schools. The Advisory Committee also updates the instructor certification standards, taking into consideration the standards set by the Office of the Superintendent of Public Instruction (OSPI).

The DOL is responsible for providing the driver training school curriculum to each applicant for an instructor or driver training school permit. In addition to information on the safe, lawful, and responsible operation of motor vehicles, the curriculum must include information regarding the intermediate driver's license restrictions and sanctions, the effects of alcohol and drug use on motor vehicle operators, and the importance of safely sharing the road with motorcycles.

If an instructor or school fails to teach the basic minimum curriculum, the DOL may revoke the license of the instructor or school, or both.

Traffic safety education is also available to students in many school districts in the state. Historically, these programs have been funded through a mixture of funds provided by the state, the school district, and individual students' families.

The OSPI is required to adopt the necessary rules governing the operation and scope of the traffic safety education program and to define the classroom and laboratory student learning experiences that must be satisfactorily completed by a student in order to successfully complete a traffic safety education course.

Summary: Bicycle safety and pedestrian safety are added to the list of items that must be part of the driver training curriculums developed by the DOL and the OSPI.

The act is named for Matthew "Tatsuo" Nakata.

Votes on Final Passage:

House 73 22
Senate 45 2

Effective: June 12, 2008

SHB 2575
C 60 L 08

Forming a technical advisory group on fire sprinkler systems in private residences.

By House Committee on Local Government (originally sponsored by Representatives Simpson, Ormsby and Wood).

House Committee on Local Government
Senate Committee on Government Operations & Elections

Background: The State Building Code Advisory Council. The State Building Code Advisory Council (Council) was created in 1974 to provide analysis and advice to the Legislature and the Office of the Governor on state building code issues. The Council establishes the minimum building, mechanical, fire, plumbing, and energy code requirements in Washington by reviewing, developing, and adopting the state building code. The State Building Code Act (Act) sets forth requirements through the provision of building codes to promote the health, safety, and welfare of the occupants or users of buildings and structures throughout the state.

The Act consists of regulations adopted by reference from the International Building Code (IBC), the International Residential Code (IRC), the International Mechanical Code, the National Fuel Gas Code, the International Fire Code (IFC), and the Uniform Plumbing Code and Uniform Plumbing Code Standards. In maintaining the Act, the Council must regularly review updated versions of the codes and other pertinent information and adopt appropriate amendments. The Council may also issue opinions relating to the codes at the request of a local enforcement official.

Private Residential Fire Sprinkler Systems. Fire sprinklers are required in certain sections of the IBC, IRC, IFC, and by the National Fire Protection Agency. Sprinkler requirements of the IBC are typically applied to larger residential occupancies, including hotels, apartments, dormitories or condominiums. Single family dwellings (as defined by the IRC) in Washington are not required to install sprinklers for fire protection unless local municipalities have adopted additional requirements of the IRC into their local building code requirements.

Summary: The State Building Code Council (Council) must convene a technical advisory group on private residential fire sprinkler systems. The advisory group is charged with researching and reviewing policies and procedures pertaining to private residential fire sprinkler systems that promote or discourage the installation of these systems in private residences.

The advisory group must consist of representatives from:

- a city association;
- a county association;
- a building officials association;
- a special purpose water-sewer district association;
- a public utility district association;
- a mutual water company;
- the Department of Health;
- the Department of Ecology; and
- the insurance industry.

The advisory group must also consist of:

- the State Director of Fire Protection or his or her designee;
- a local fire marshal;
- a licensed residential sprinkler fitter;
- a licensed residential fire sprinkler contractor;
- an architect;
- a residential builder; and
- other representatives deemed necessary by the Council.

The Council must develop recommendations for eradicating barriers that prevent the voluntary installation of sprinkler systems in private residences. The recommendations must consider the work of the advisory group. The Council must also report the advisory group's findings to the appropriate committees of the House of Representatives and Senate by January 15, 2009.

Votes on Final Passage:

House	93	2
Senate	42	5

Effective: June 12, 2008

SHB 2580

C 186 L 08

Concerning paydates for employees participating in state active military duty.

By House Committee on Appropriations (originally sponsored by Representatives Hurst, McCoy, VanDeWege, Morrell, Campbell and Roach).

House Committee on State Government & Tribal Affairs
 House Committee on Appropriations
 Senate Committee on Government Operations & Elections

Background: State officers and employees have two pay periods per month. The first pay period is from day one through 15 of the month. The second pay period is from day 16 through the last calendar day of the month. The Director of the Office of Financial Management must establish the official pay dates at least six months prior to the beginning of each calendar year. Pay dates cannot be more than 10 days after a pay period unless the designated pay date falls on a Sunday, in which case it may not be later than the following Monday.

Summary: The standard pay dates do not apply to state active duty National or State Guard members receiving pay from the Military Department. When a National or State Guard member is called to participate in state active duty, the pay date must be no more than seven days following the completion of duty or the end of the pay period, whichever is first. If the seventh day falls on a Sunday, the pay date must be no later than the following Monday.

Votes on Final Passage:

House	94	0
Senate	49	0

Effective: June 12, 2008

SHB 2582

C 162 L 08

Regarding child care at institutions of higher education.

By House Committee on Higher Education (originally sponsored by Representatives Roberts, Hasegawa, Ormsby, Jarrett, Sells, Williams, Appleton, McIntire, Goodman, Green and Quall).

House Committee on Higher Education
 House Committee on Appropriations
 Senate Committee on Higher Education

Background: The Institutional Child Care Grant program was established in 1999 to promote high-quality, accessible, and affordable child care for students attending the state's public colleges and universities. Grants were made available, on a competitive basis, to institutions of higher education requiring the college or university administration and the student government association at each receiving institution to match the grant amount received from the state. The Higher Education Coordinating Board (HECB) was tasked with administering the grants to the public and four-year institutions. The State Board for Community and Technical Colleges (SBCTC) administers the program for community and technical colleges.

All of the public baccalaureate institutions have received funds since the program began in 1999. The HECB awarded grants totaling \$165,000 during the 2007-09 biennium, which represents \$150,000 in 07-09 biennial funding and \$15,000 of carry over from the 2005-07 biennium. Four of the six public colleges and universities submitted proposals and received the following allocations to be used over the course of two years:

- Washington State University, \$61,033;
- University of Washington, \$11,794;
- Western Washington University, \$68,794; and
- The Evergreen State College, \$23,094.

Each institution used the grants in various ways, but in general funds were used to maintain affordability, add capacity by hiring additional staff and/or providing

training to current staff, as well as expanding program availability to different populations or during different hours.

Nineteen of the 34 community and technical colleges have been awarded funds through the program. The SBCTC awarded grants totaling \$100,000 during the 2007-09 biennium. Grants ranging from \$11,000 to \$30,000 were awarded to the community colleges of Bellevue, Edmonds, Green River, Skagit Valley, and South Seattle.

During the 2006-07 academic year, the student government associations at the public baccalaureate institutions contributed over \$2 million dollars to support child care programs on their campuses. Wait lists for child care programs at the public, four-year institutions ranged from 58 students at Central Washington University to over 700 at the University of Washington.

Summary: The HECB and the SBCTC must award child care grants on a competitive or matching basis. Separate sections of law are created for the HECB and the SBCTC in order to clarify the powers and duties granted to each agency.

The HECB administers the program for the four-year institutions and is required to proportionally distribute funds based on the financial support for child care received by the student government associations. A student government association at a two- or four-year institution may solicit funds from private organizations and through targeted fund raising campaigns, as part of its financial support for child care programs.

The SBCTC administers the program for the two year institutions. The SBCTC must establish granting guidelines consistent with the Legislature's desired outcome of creating more cooperative preschool programs and models that can be replicated at other institutions.

The HECB and SBCTC must each submit a report to the Legislature on child care at their respective institutions by December 2008 and every two years thereafter. The report must include an update on the status of program design and implementation, the number of students using the program, the identifiable unmet need, and the amount contributed by each university or college administration and student government association for the purposes of child care.

Votes on Final Passage:

House	96	0	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

SHB 2585

C 273 L 08

Concerning the business and occupation taxation of newspaper-labeled supplements.

By House Committee on Finance (originally sponsored by Representatives McIntire and Kessler).

House Committee on Finance
Senate Committee on Ways & Means

Background: Printing and publishing is subject to the state business and occupation (B&O) tax at a rate of 0.484 percent. This includes printing or publishing of newspapers, magazines, books, music and similar items. The tax applies to the gross receipts of the business, including subscription sales, newsstand sales, advertising income, and other income.

In recent years, newspapers have begun to post materials from their hard-copy editions on the Internet. The Department of Revenue considers any income derived from this activity to not constitute printing or publishing. Thus, advertising income received by newspapers for their web-based materials is subject to B&O tax under the service classification at a rate of 1.5 percent.

Summary: The definition of newspaper for B&O tax purposes is amended to add "any newspaper-labeled supplement produced in any media." This includes material posted on the Internet. As a result, advertising income related to web-based newspaper material is subject to the 0.484 percent printing and publishing tax rate, instead of the 1.5 percent service rate. However, the reduced tax rate is only applicable for a three year period, from July 1, 2008 until June 30, 2011. Printed inserts or attachments to a newspaper are eligible for the preferential tax rate, but only if they are distributed in the same geographic areas as the newspaper.

Votes on Final Passage:

House	89	5	
Senate	48	1	(Senate amended)
House	92	4	(House concurred)

Effective: July 1, 2008

HB 2594

C 100 L 08

Distributing the insurance commissioner's examination reports.

By Representatives Kirby, Ormsby, Kenney and Uptegrove; by request of Insurance Commissioner.

House Committee on Insurance, Financial Services & Consumer Protection
Senate Committee on Financial Institutions & Insurance

Background: Examinations by the Insurance Commissioner. Under the Insurance Code, the Insurance Commissioner (Commissioner) is authorized to examine the financial affairs, transactions, accounts, records, documents, assets, and business practices of regulated entities (these entities include insurers, health care service contractors, health maintenance organizations, and other persons or corporations involved in the business of insurance).

Financial Examinations. The Commissioner is authorized to examine regulated entities at least every five years. In conducting an examination, the Commissioner must be given access to accounts, records, documents, and files relating to the subject of the examination.

Market Analyses and Market Conduct Examinations. The Commissioner may also undertake a market analysis or a market conduct examination. In 2007 a new statutory framework was enacted for market analyses and market conduct examinations. In a market analysis, staff for the Office of the Insurance Commissioner (OIC) collect and use information to develop a baseline understanding of the market and determine if a regulated entity is deviating from the norm or engaging in a practice that may be detrimental to consumers. A market analysis may lead to some sort of action to remedy a practice of a regulated entity. It may also lead to a more thorough market conduct review of a regulated entity. Market conduct actions must focus on general business practices and compliance activities instead of infrequent or unintentional random errors. The Commissioner may determine that the market conduct action has not sufficiently addressed the business practices of a regulated entity and decide to have a market conduct examination. In conducting a market conduct examination, the Commissioner must be given access to accounts, records, documents, and files relating to the subject of the examination.

Examination Reports. Within 60 days after completing an examination, the Commissioner must make a full certified written report containing facts, conclusions, and recommendations. A copy of the report is provided to the examined entity not less than 10 days and not more than 30 days prior to the filing of the report for public inspection. If the examined entity requests in writing within this time period, the Commissioner must hold a hearing to consider objections to the report as proposed and must not file the report until after the hearing and after any necessary modifications in the report have been made. Within 30 days of this time period, the Commissioner must consider the report, together with any written submissions or rebuttals, and any relevant portions of the examiner's workpapers and enter an order that may be appealed. The order may:

- adopt the examination report as filed or modified. This may include a requirement to cure any violations;
- reject the examination report and direct the examiners to reopen the examination, obtain more information, and file a new examination report; or
- call for an investigatory hearing for the purpose of obtaining more information.

Examination Report Confidentiality. After adopting an examination report, the Commissioner must continue to hold the content of the examination report as private and confidential information for a period of five days except that the order may be disclosed to the examined entity. After that time, the Commissioner may open the report for public inspection so long as no court of competent jurisdiction has stayed its publication. The Commissioner may withhold from public inspection any examination or investigation report for so long as he or she deems it advisable.

Summary: The Commissioner may provide copies of financial examination reports to an examined entity by certifiable electronic means instead of sending the report by certified mail to the entity. The Commissioner may provide copies of an order adopting, rejecting, or calling for an investigatory hearing regarding a market conduct examination report to an examined entity by certifiable electronic means instead of sending the order by certified mail to the entity.

The Commissioner may provide copies of financial examination reports by certifiable electronic means to the personal e-mail account of a director of an examined entity instead of sending the report by certified mail to the director's residence. The Commissioner may provide copies of the order adopting, rejecting, or calling for an investigatory hearing regarding a market conduct examination report by certifiable electronic means to the personal e-mail account of a director of an examined entity instead of sending the report by certified mail to the director's residence.

A grammatical change is made for statutory consistency.

Votes on Final Passage:

House	93	0
Senate	47	0

Effective: June 12, 2008

2SHB 2598

C 274 L 08

Regarding an online mathematics curriculum.

By House Committee on Appropriations Subcommittee on Education (originally sponsored by Representatives Sullivan, Ormsby, Haigh, Schual-Berke, Green and Simpson).

House Committee on Education
House Committee on Appropriations Subcommittee on Education

Senate Committee on Early Learning & K-12 Education

Background: In 2007 the Legislature directed the State Board of Education (SBE) to review and recommend to the Office of the Superintendent of Public Instruction (OSPI) revisions to Washington's mathematics standards (Essential Academic Learning Requirements and Grade Level Expectations). The OSPI was required to revise the mathematics standards and present them to the SBE and the Legislature by January of 2008.

The OSPI was also directed to identify no more than three mathematics curricula each for elementary, middle, and high school grade spans that align with the new standards and present these to the SBE by May 15, 2008, for formal comment. The SBE's comments are due by June 30, 2008. The OSPI must make any changes based on the SBE's comments and recommendations and adopt the recommended curricula. Subject to funding and availability of curricula, at least one of the curricula in each grade span must be available online at no cost to schools and parents.

Summary: The OSPI and the SBE must work together to develop and issue a request for proposals (RFP) for private vendors or nonprofit organizations to adapt an existing mathematics curriculum to align it with Washington's mathematics standards and make the curriculum available online at no cost to school districts. The online mathematics curriculum must cover course content in grades kindergarten through 12 and Washington's college readiness standards.

Proposals submitted pursuant to the RFP must address cost and include timelines for development and implementation. The OSPI must review and analyze the responses and report the results of the RFP to the Governor and the education and fiscal committees of the Legislature by December 1, 2008.

The timelines for presentation of three mathematics curricula by the OSPI to the SBE, and for the SBE's comments and recommendations, are revised. The OSPI must present its recommendations to the SBE within six months after the mathematics standards are adopted, and the SBE then has two months to review and provide official comment.

The OSPI must conduct a survey of the mathematics curricula used by school districts, and the districts' curricula purchasing cycles, and report the results to the Legislature by November 15, 2008.

Votes on Final Passage:

House	91	6	
Senate	47	1	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

SHB 2602

C 286 L 08

Regarding employment leave for victims of domestic violence, sexual assault, or stalking.

By House Committee on Commerce & Labor (originally sponsored by Representatives Kessler, Dickerson, Williams, O'Brien, Hurst, Lantz, Moeller, Hasegawa, Pedersen, Ormsby, VanDeWege, Conway, Goodman, Hudgins, Santos, Campbell, Upthegrove, Chase, Darneille, Barlow, Green and Simpson).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: Under federal and state family leave laws, larger employers must grant family leave to employees who meet certain requirements. Family leave may be taken for the birth and care of a child, the placement of a child for adoption or foster care, and for the employee's own or a family member's serious health condition. Beginning in October 2009, paid family leave will be available for certain employees for the birth and care of a child or placement of a child for adoption.

The state family care law applies to nearly all employers. Under this law, employees may use sick leave and other paid time off to care for a child with a health condition that requires treatment or supervision, or certain family members with a serious health or emergency condition.

Individuals who voluntarily leave work because of domestic violence or stalking are entitled to unemployment benefits under some circumstances.

Summary:

Findings and Declaration. The Legislature finds that it is in the public interest to reduce domestic violence, sexual assault, and stalking by enabling victims to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize physical and emotional injuries, and to reduce the devastating economic consequences of these crimes to employers and employees.

Leave. An employee may take reasonable leave from work, intermittent leave, or leave on a reduced leave schedule for specified activities related to the employee or family member being a victim of domestic violence, sexual assault, or stalking. These activities are to:

- seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's family member;
- seek treatment by a health care provider for physical or mental injuries or to attend treatment for a family member;
- obtain, or assist a family member in obtaining, services from a domestic violence shelter, rape crisis center, or other social services program;
- obtain, or assist a family member in obtaining, mental health counseling related to an incident in which the employee or the employee's family member was a victim; or
- participate in safety planning, temporarily or permanently relocate, or take other actions to increase the safety of the employee or family member.

The leave is with or without pay. The employee may choose to use sick leave and other paid time off, compensatory time, or unpaid leave time.

A "family member" is a child, spouse, parent, parent-in-law, grandparent, or person with whom the employee has a dating relationship. A "dating relationship" is a social relationship of a romantic nature.

"Domestic violence," "sexual assault," and "stalking" are defined by reference to existing definitions in various laws.

Eligibility. Any employee working for an employer of one or more persons, including a public employer, is eligible for the leave.

Notice/Verification. An employee must give an employer advance notice of leave. The timing of the notice must be consistent with the employer's stated policy for requesting such leave, if the employer has a policy. If advance notice cannot be given because of an emergency or unforeseen circumstances due to domestic violence, sexual assault, or stalking, the employee or his or her designee must give notice no later than the end of the first day that the employee takes leave.

An employer may require verification that the employee or the family member is a victim and that the leave was taken for one of the permitted purposes. If the employer requires verification, it must be provided in a timely manner. If advance notice cannot be given, verification must be provided within a reasonable time during or after the leave. Verification may be satisfied by providing:

- a police report indicating that the employee or family member was a victim;
- a court order protecting or separating the employee or family member from the perpetrator, or other

evidence from the court or prosecuting attorney that the employee or family member appeared or is scheduled to appear in court in connection with an incident;

- documentation from an advocate for victims, an attorney, a clergy member, or a medical or other professional from whom the employee or family member sought assistance; or
- an employee's written statement that the employee or the family member is a victim and that the leave was taken for a permitted purpose.

Verification of familial status may be made by a statement from the employee, a birth certificate, a court document, or other similar documentation.

Confidentiality. An employee is not required to produce or discuss any information with the employer beyond the scope of the verification or that would compromise the employee's or family member's safety. An employer must maintain the confidentiality of all notice and verification information unless requested or consented to by the employee, ordered by a court or administrative agency, or otherwise required by law.

Job Protection. Upon return from leave, an employer must restore the employee to his or her former position or a position with equivalent benefits, pay, and other terms and conditions of employment. An employer must also maintain coverage under any health insurance plan to the extent allowed by law.

The job protection provisions do not apply if an individual takes leave from employment with a staffing company and the individual is temporarily assigned to perform work at or services for another organization to support or supplement the other organization's workforces, or to provide assistance in certain special work situations. The job protection provisions also do not apply to employees hired for specific terms or only to work on discrete projects if the employment term or project is over and the employer would not otherwise have continued to employ the employee.

Relationship to Other Laws. The leave rights are in addition to other rights. Nothing in the provisions is to discourage employers from adopting greater leave rights for victims or to diminish an employer's obligation to comply with any collective bargaining agreement, or any benefit program or plan that provides greater leave rights.

Administration and Enforcement. The Department of Labor and Industries (Department) must adopt rules to implement the legislation and also has enforcement authority. An employer may be fined up to \$500 for the first infraction and \$1,000 for a subsequent infraction within three years of a previous infraction. The Director of the Department may also order the employer to restore the employee to his or her former position or an equivalent position.

Regardless of whether the employee complained to the Department and regardless of any finding under an administrative action, an employee injured by a violation has a civil cause of action to enjoin further violations and to recover actual damages, reasonable attorneys' fees, and costs.

Discrimination. It is a violation to discriminate against an employee for exercising his or her rights, filing a complaint, or participating or assisting in another employee's attempt to exercise rights under the provisions.

Publicity. The Department must include notice of the provisions in the next reprinting of employment posters, and employers must post the notice. Prosecuting attorney and victim/witness offices are encouraged to make information about the provisions available for distribution. In any criminal or juvenile court proceeding, victims must be notified of their right to reasonable leave under the provisions.

Votes on Final Passage:

House	81	14	
Senate	49	0	(Senate amended)
House	93	0	(House concurred)

Effective: April 1, 2008

E2SHB 2624
C 275 L 08

Concerning human remains.

By House Committee on Appropriations (originally sponsored by Representatives McCoy, Kessler, Appleton, Ormsby, VanDeWege, Hunt, Kenney, Darneille and Chase).

House Committee on State Government & Tribal Affairs
House Committee on Appropriations
Senate Committee on Government Operations & Elections

Senate Committee on Ways & Means

Background: Three areas of Washington statute are relevant to discoveries of skeletal human remains: statutes governing the coroner's jurisdiction over human remains; the Indian Graves and Records Act; and the Abandoned and Historic Cemeteries and Historic Graves Act. Although these statutes all have provisions regarding human remains, it is not clear who makes determinations whether inadvertently discovered skeletal human remains are specifically statutorily protected, when such determinations should be made, who has jurisdiction, or what is appropriate procedure.

A private landowner may inadvertently discover human remains and be required to cover the entire cost of excavation for statutorily protected remains, as well as the removal and reinterment of such remains when necessary. For these inadvertent discoveries, it is unclear

whether the individual who reports such a discovery may be subject to criminal and civil liability. Further, the state does not maintain a centralized database of known historic cemeteries and burial sites for private local governments to use to determine whether a proposed development is on or near a cemetery or burial site to prevent such inadvertent discoveries. This information is valuable with regard to Indian graves, as Indians, historically, were often buried around the perimeter of the local cemetery.

Not all counties have the capacity to quickly make determinations of whether skeletal human remains are affiliated with a crime or may be protected Indian or historic remains. In Washington, only counties with populations of 250,000 or greater may choose to have a professional medical examiner. Other counties have either elected coroners or prosecutor-coroners. Six counties have medical examiners.

- Counties with a medical examiner: Clark, King, Pierce, Snohomish, Spokane, and Whatcom.
- Counties with populations between 40,000 - 250,000 have elected coroners: Benton, Chelan, Cowlitz, Franklin, Grant, Grays Harbor, Island, Kitsap, Lewis, Mason, Skagit, Stevens, Thurston, and Walla Walla.
- Counties with populations less than 40,000 have prosecutor-coroners: Adams, Asotin, Clallam, Columbia, Douglas, Ferry, Garfield, Jefferson, Kittitas, Klickitat, Lincoln, Okanagan, Pacific, Pend Oreille, San Juan, Skamania, Wahkiakum, and Whitman.

Provisions Regarding Dead Bodies. State law requires that anyone who knows of the existence and location of a dead body coming under the jurisdiction of the coroner must immediately notify the coroner. Failing to give notice is a misdemeanor. The statutory language is "dead body" as opposed to "skeletal human remains;" the statute is not cross-referenced to those statutes that protect Indian graves or historic graves.

The Indian Graves and Records Act. Indian graves and records are statutorily protected under the Indian Graves and Records Act. The knowing removal, mutilation, defacement, injury, or destruction of remains or goods protected under the statute is a class C felony; Indian tribes maintain a civil action against anyone who violates this statute.

Individuals who inadvertently disturb Indian human remains must reinter the remains under the supervision of the appropriate Indian tribe. The costs of such reinterment are to be paid by the Department of Archeology and Historic Preservation. Funds have not been appropriated for this purpose.

The Abandoned and Historic Cemeteries and Historic Graves Act. State law also provides protection for abandoned and historic cemeteries and graves under the Abandoned Cemetery and Historic Cemeteries and

Historic Graves Act. An abandoned cemetery means a burial ground of the human dead for which the county assessor can find no record of an owner, or where the owner is deceased and lawful conveyance of title has not been made. A historical cemetery means any burial site or ground where the human remains were buried prior to November 11, 1889, except for certified religious, state or local cemeteries. The vandalism or grave-robbing of a cemetery under this statute is also a class C felony. The knowing removal, mutilation, defacement, injury, or destruction of graves protected under the statute is also a class C felony. Individuals are also subject to a civil action.

Summary: Guidelines and Procedures. New sections governing the inadvertent discovery of skeletal human remains are added to statutes regarding the coroner's jurisdiction over human remains, to the Indian Graves and Records Act, and to the Abandoned and Historic Cemeteries and Historic Graves Act.

Individuals who inadvertently discover skeletal human remains must immediately call the county coroner or medical examiner and local law enforcement. Those individuals who make the inadvertent discovery through ground disturbing activity must also cease the activity and make a reasonable effort to protect the area from further disturbance. Those individuals who are in compliance with these requirements and are otherwise in compliance with applicable law are held harmless from criminal and civil liability.

The coroner or medical examiner must make a determination of whether the remains are forensic or nonforensic within five days, provided that such a determination can be made in that time period based on the skeletal human remains available. Upon determination that the skeletal human remains are nonforensic, the coroner or medical examiner must notify the Department of Archeology and Historic Preservation (DAHP) within two business days. A determination that skeletal human remains are nonforensic does not create a presumption that the remains are Indian or non-Indian.

The DAHP must notify appropriate local cemeteries and affected tribes of the discovery of nonforensic skeletal human remains. Tribes must be notified via certified mail to the head of the appropriate tribal government within two business days. The DAHP must also contact the appropriate tribal cultural resources staff. The State Physical Anthropologist must make an initial determination of whether the nonforensic skeletal human remains are Indian or non-Indian within two business days. If the remains are Indian, the DAHP must notify the affected tribes within two business days via certified mail to the head of the appropriate tribal government and by contacting the appropriate tribal cultural resources staff. Affected tribes have five business days to notify the DAHP as to their interest in the remains.

The coroner or medical examiner will retain jurisdiction over all forensic human remains. The DAHP will have jurisdiction over all nonforensic remains until provenance of such remains is established.

Affected tribes are those with usual and accustomed areas in the jurisdiction where the remains were found, those that submit to the DAHP maps that reflect the tribe's geographical area of cultural affiliation, or tribes with historical and cultural affiliation in the jurisdiction where the remains were found.

Forensic remains are those that come under the jurisdiction of the coroner as defined in statute.

Inadvertent discovery has the same meaning as used in the Indian Graves and Records Act. This definition includes disturbance through construction, mining, logging, agricultural activity, or any other activity.

Cemetery and Graves Database. The DAHP must develop and maintain a centralized database and geographic systems spatial layer of all known cemeteries and known sites of burial of human remains in Washington. The information in the database is subject to public disclosure pursuant to the Public Disclosure Act, except that information about the location of archeological sites is exempt to prevent degradation. However, exempt information is available to federal, state, and local agencies for purposes of environmental review, and to tribes to protect their ancestors and to perpetuate their cultures.

State Physical Anthropologist. The position of the State Physical Anthropologist is created in the DAHP subject to appointment by the Director of the DAHP. The State Physical Anthropologist must:

- have a doctorate in either archeology or anthropology;
- have experience in forensic osteology or other relevant aspects of physical anthropology; and
- have at least one year's experience in laboratory reconstruction.

A medical degree with archeological experience in addition to required experience may substitute for a doctorate in archeology or anthropology.

The State Physical Anthropologist will have the primary responsibility of investigating, preserving, and, when necessary, removing and reintering skeletal human remains that are not evidence of a crime. He or she will also be available to any local government or tribal government in Washington to assist in determining whether discovered remains are forensic or nonforensic and whether non-forensic remains are Indian or non-Indian.

Professional Archeologist Qualifications. Professional archeologists employed by state and local governments must be qualified to the federal Secretary of the Interior's standards for professional archaeologist. Archeologists not meeting this standard may be conditionally employed by working under the supervision of a professional archeologist for a period of four years

provided the employee is working toward the required qualifications. The four-year period is not subject to renewal. During the four-year period, a professional archeologist is responsible for all findings.

Account. The Skeletal Human Remains Assistance Account (Account) is created in the custody of the treasurer. Expenditures from the Account may be authorized by the Director of Archeology and Historic Preservation only after the archeological determination and excavation, and removal and reinterment when necessary, of inadvertently discovered skeletal human remains.

Votes on Final Passage:

House	63	31	
Senate	41	5	(Senate amended)
House			(House refused to concur)
Senate	44	5	(Senate amended)
House	74	23	(House concurred)

Effective: June 12, 2008

2SHB 2635
C 159 L 08

Regarding school district boundaries and organization.

By House Committee on Appropriations Subcommittee on Education (originally sponsored by Representative Quall).

House Committee on Education
House Committee on Appropriations Subcommittee on Education
Senate Committee on Early Learning & K-12 Education

Background: The procedures that govern school district organization and reorganization, including district boundaries and changes in boundaries, are established in statute.

Regional Committees. Each Educational Service District (ESD) has a Regional Committee responsible for approving and disapproving proposals to change school district organization and adjusting the property and assets and liabilities that result from changes in district organization. Regional Committees are composed of seven to nine members, depending on the size of the ESD board of directors, and are elected by the voters in each ESD board member district. The election requirements and procedures are detailed in statute.

The ESD superintendents are responsible for providing staff and technical support for the Regional Committees and overseeing the procedures involved in school district organization decisions and disputes.

If districts affected by a change in organization are located in two ESDs, involvement of both Regional Committees is required, as well as creation of a third temporary joint committee if the two do not agree.

Transfer of Territory. The process for transfer of territory between one district and another emphasizes negotiated agreement among the districts wherever possible. A proposal to transfer territory can be initiated:

- (1) by a petition signed by a majority of the school board members of one of the affected districts; or
- (2) by a petition signed by more than 50 percent of active registered voters in the territory proposed for transfer.

Once petitions have been initiated by transmission to the ESD superintendent, the affected school districts must negotiate regarding the proposed transfer. There are timelines for the negotiation, including the opportunity to receive a mediator appointed by the ESD. If the districts agree, the property is either transferred or not, depending on the agreement. If the districts do not agree, either district may request a hearing and decision by the Regional Committee. Further appeals are possible.

Review Criteria. The statutes contain a number of review criteria that Regional Committees are required to consider in their deliberations about school district organization proposals. One of the review criteria provides for consideration of the history and relationship of the property to the communities affected. A specific example is called out: inclusion in a single school district for purposes of school attendance and tax support of master planned communities with more than 1,000 units. There are no other specific references to growth management issues in the review criteria.

Summary: Regional Committees. Rather than being elected, members of Regional Committees are appointed by the ESD board for four-year terms. Members previously elected serve out the remainder of their terms. Any vacancies are filled by appointment.

If school districts affected by a change in organization are in two ESDs, the Regional Committee and the ESD of the district with the largest number of affected students have jurisdiction, rather than requiring a temporary joint committee. An incorrect reference to Regional Committees and director district boundaries is removed.

Transfer of Territory. A petition to transfer territory that is initiated by a school board must provide documentation that, before signing the petition, the board notified the affected school board and provided time for response, and notified voters residing in the territory and provided opportunity for comment at a public hearing.

Review Criteria. Regional Committees must consider the impact of the Growth Management Act and current or proposed urban growth areas, city boundaries, and master planned communities in their deliberations about school district boundaries and organization. They are no longer restricted to considering master planned communities of a particular size.

Votes on Final Passage:

House	95	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

HB 2637
C 21 L 08

Concerning records in a criminal case.

By Representatives Pearson, O'Brien, Ericks, Ross and Roach; by request of Attorney General.

House Committee on Judiciary
Senate Committee on Judiciary

Background: When a crime is committed in this state, witnesses or evidence related to that crime may be located outside the state. Criminal investigators, prosecutors or defense attorneys may have to employ one or more of several methods in attempting to get testimony or other evidence into the state. Warrants, summons, subpoenas, or other legal process may be issued directing an out-of-state (foreign) witness to appear in the state or a foreign entity to send or bring evidence to the state. Legal process may be issued by a Washington court. In other instances, a legal process may be issued by a court in the foreign state at the request of a Washington court.

Washington has adopted the Uniform Act to Secure the Attendance of Witnesses from Without a State in Criminal Proceedings. This law applies reciprocally in states with similar provisions. It allows a Washington court, upon petition by either the prosecution or defense, to recommend to a foreign court that a witness be compelled to appear in a Washington grand jury proceeding or a criminal trial. While a witness is in the state under this procedure, he or she is immune from prosecution or civil or criminal process for matters that arose before his or her appearance.

Without foreign court involvement, enforcement of out-of-state orders may be problematic, and obtaining foreign court involvement may be time consuming, expensive, and difficult.

In certain kinds of criminal cases such as identity theft, it is common for relevant records to be held in a foreign state. Entities doing business in this state may have headquarters and record-keeping facilities in another state. The foreign custodian of those records may be reluctant to comply with a Washington court's legal process for the production of such records. If the custodian is required to accompany the records in order to authenticate them, the time and expense involved may be a deterrent to cooperation.

A relevant business record is admissible in a criminal case if: (1) the custodian of the record testifies to its identity and mode of preparation, (2) it was made in the

regular course of business at or near the time of the event in question, and (3) the court determines that the record's sources and method and time of preparation justify its admission.

Summary: Procedures are established for the production of records through search warrants, subpoenas, and any other criminal process issued by a superior court in any criminal investigation or trial. A law enforcement officer, prosecutor, or defense attorney may apply to a superior court for criminal process ordering the production of records.

The procedures apply to records held inside or outside the state by a business that has conducted business in this state, any natural person, and, where relevant, a corporation, joint stock association, or unincorporated association.

Time to Comply. When properly served, the recipient of the criminal process must produce the records within 20 business days, unless a shorter period is indicated in the process, or if the court finds reason to suspect an "adverse result."

Compliance after 20 days may be granted, upon a showing of good cause, if a recipient requests a longer period to respond and the court finds that an extension would not cause an adverse result.

Motion to Quash. A recipient's motion to quash the process must be made in the issuing court and within the time that is required for the recipient's response to the process. The court must hear and decide the motion to quash no later than five court days after the motion is filed.

Authentication. The applicant for a criminal process may request, or the issuing court may order, that the recipient verify the authenticity of the records by providing an affidavit, declaration, or certification attesting to the following:

- that the record was made at or near the time of the event in question or, if later, was made by a person with knowledge of the matter in question;
- that the record was made in the regular course of business; and
- that any duplicate produced is an accurate reproduction of the original.

An affidavit, declaration or certification that includes the foregoing information satisfies, without the need for testimony from the custodian of records, the requirements of RCW 5.45.020 addressing the admission of business records as evidence.

A party offering a verified record must give opposing parties sufficient notice to allow a challenge. A party may challenge the admissibility of a verified record, but only if the offering party is given sufficient notice to allow an opportunity to produce the record custodian.

Reciprocity and Immunity. A recipient of foreign criminal process served in Washington must comply with its terms if it appears on its face to be valid criminal process.

Recipients of criminal process are granted civil and criminal immunity for complying with the process and for any failure to notify a person affected by a disclosure made by the recipient. The immunity provisions apply to foreign state recipients of Washington criminal process and Washington recipients of foreign state criminal process.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 12, 2008

SHB 2639
C 198 L 08

Regarding the procurement of renewable resources.

By House Committee on Local Government (originally sponsored by Representatives Takko, Kretz, Blake, Condotta, VanDeWege and Haler).

House Committee on Local Government
Senate Committee on Water, Energy & Telecommunications

Background: Overview of Public Utility Districts. A public utility district (PUD) is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may encompass a smaller jurisdiction. However, most PUDs have jurisdictional boundaries that are coextensive with a county and function as a regional governing body with respect to providing their statutorily authorized services to the public. There are 28 operating PUDs in this state, many of which provide a mix of services: 23 provide electrical services; 19 provide water and/or wastewater services; and 13 provide wholesale broadband telecommunications services. Public utility districts are governed by a board of either three or five elected commissioners.

Joint and/or Cooperative Action Among Public Agencies. State law authorizes PUDs, and other public agencies, to enter into agreements with each other for the joint exercise of the authority conferred upon them by statute. This grant of authority allows two or more public agencies to enter into agreements with one another for joint or cooperative action provided the agreement describes the following:

- the duration of the agreement;
- the precise organization, composition, and nature of any separate legal or administrative entity created by the agreement;

- the purpose(s) of the agreement;
- the manner of financing of the joint or cooperative undertaking;
- the system for establishing and maintaining the budget; and
- the method(s) for terminating the agreement and the disposition of property.

General Rules for Agreements for Joint and/or Cooperative Action Among Cities, Public Agencies, and Private Electrical Companies Subject to State Regulation. Subject to specified requirements, certain public entities, including PUDs, and private electrical companies regulated either by the State of Washington or the State of Oregon, are authorized to enter into joint agreements for the undivided ownership of the following types of facilities:

- any type of facilities related to the generation and/or distribution of electric power, including nuclear power generating plants and facilities; and
- electric transmission facilities.

Such joint agreements must provide that each participant own a percentage of the facility equal to the percentage of its contribution to the acquisition or construction of the facility and each must control a like percentage of the electric output of the facility.

Authority of PUDs to Sell, Lease, or Convey their Facilities and Assets. A PUD may sell, lease, or convey its facilities and assets in accordance with specified procedures and subject to the approval of the district voters. Generally speaking, PUDs are subject to the same regulations as cities and towns with respect to the disposition of district property.

However, the governing statutes provide numerous exceptions to the general rule requiring voter approval for the disposition of property by a PUD. These exceptions are wide-ranging and allow disposition of property without voter approval under circumstances that include the following:

- where the property lies outside the boundaries of the district and is being sold to another PUD or other public entity;
- if the property is obsolete or otherwise not useable and is no longer needed by the PUD; and
- the property is being sold to another public utility, private utility, utility contractor or governmental entity for not less than fair market value and in response to specified circumstances.

Auditing of Claims Against a PUD. All financial claims presented against a PUD or other public entity related to contracts, materials finished, services rendered, and labor performed must be audited in accordance with specified requirements before the claim may be paid. The payment of any claim is contingent on the auditor certifying that the claim is a just, due, and unpaid obligation.

The Energy Independence Act of 2007. Enacted pursuant to a citizen initiative approved by the voters in 2006, the Energy Independence Act (Act) requires that large utilities obtain 15 percent of their electricity from new, renewable resources such as solar and wind by the year 2020. The Act generally requires that utilities undertake cost-effective energy conservation and sets forth goals and requirements related to the realization of its stated policies. It also provides the definition of key terms found within the Act, including definitions for "renewable resource" and "eligible renewable resource."

"Renewable resource" means specified natural resources related to the generation of electrical power. Among the resources identified in the definition are the following: water, wind, solar energy, geothermal energy, landfill gas, wave/ocean/tidal power, specified types of biodiesel fuel, specified types of biomass energy, and several others.

"Eligible renewable resource" means either: (1) electricity produced by a generation facility powered by a renewable resource other than fresh water that began operation before March 31, 1999, where the facility is located in the Pacific Northwest or electricity delivered into Washington from out of state that satisfies specified requirements; or (2) electricity resulting from efficiency improvements to specified categories of hydroelectric projects in the Pacific Northwest and meeting other specified requirements.

Overview of Limited Liability Corporations. State law authorizes the creation of several types of business-related entities with different organizational structures and requirements. Among such legally authorized entities are general partnerships, corporations, and limited liability corporations. The factors a business or other entity may consider when selecting its structure include limiting liability, taxation, transferability of interests, and desired level of formality.

A "limited liability corporation" (LLC) is formed by one or more individuals or entities through a special written agreement called a certificate of formation. The agreement details the organization of the LLC, including provisions for management, assignability of interests, and distribution of profits and losses. An LLC exists in perpetuity unless the articles of formation state an ending time or event.

Other characteristics of an LLC are:

- limited personal liability of the members for the LLC's debts and actions (similar to a corporation);
- ability for the owners to participate actively in management;
- no double taxation (profits are taxed personally at the member level, not the LLC level);
- no formal requirements concerning annual meetings and record-keeping; and
- ability to generally own property and sign contracts.

Summary: Authority of a PUD to Participate in a Limited Liability Partnership. LLCs are added to the categories of corporate entities that a PUD or other public agency may utilize for the purpose of entering into agreements for joint or cooperative action with other public agencies and other specified corporate entities.

Special Requirements for Joint Public/Private Agreements Regarding the Ownership of Electricity Generating Plants Powered By a "Renewable Natural Resource." In conjunction with specified public agencies and private entities, a PUD is authorized to participate in agreements for cooperative ventures or participate in separate legal entities pertaining to the ownership of any type of electric generating plants powered by an eligible renewable resource as well as the transmission facilities related to such plants. This authority includes that required for the planning, financing, acquisition, construction, operation, and maintenance of such facilities. In addition to PUDs, the entities eligible to participate in such cooperative agreements and activities include:

- first class cities and other cities that operate electric generating facilities or distribution systems;
- any eligible public agency;
- electrical utilities subject to regulation by any state;
- rural electric cooperatives and their wholly owned subsidiaries;
- electric generation and transmission cooperatives and their wholly owned subsidiaries; and
- any qualifying joint operating agency or legal entity.

The agreements authorized under these requirements must contain the following provisions:

- each public agency or entity participating in the agreement must own a percentage of any common facility, or a percentage of any separate legal entity, equal to the percentage of the money furnished or the value of the property supplied by it for the undertaking; and
- each public agency or entity must own and control, or have a right to own and control, a like percentage of the electrical output of the common facility.

Agreements among PUDs, cities, and other eligible entities may provide for the formation, operation, and ownership of a separate legal entity that may own common facilities.

Public Utility District Sale of an Electric Generating Project Powered by an Eligible Renewable Resource. A PUD may sell, convey or otherwise dispose of all or part of an electric generating project powered by an eligible renewable resource without the approval of the voters, provided the following conditions are met:

- the PUD retains the right to purchase all or part of the energy generated by the project during the period that it does not have a direct or indirect ownership interest in the project; and

- the PUD retains the option to repurchase all or part of the project at or below fair market value.

Agreements for the sale, lease, or disposition of projects powered by an eligible renewable resource may include a lease-back provision and an option to repurchase the property at the termination of the lease.

Auditing Standards Regarding Advance Payment of Obligations Owed Under a Contract. Applicable auditing provisions are amended to allow the payment of a claim against a public agency provided the auditor finds that any advance payment is due and payable pursuant to a contract, or that such advance payment is available as an option for full or partial fulfillment of an obligation pursuant to a contract.

Prevailing Wage Requirements. Projects implemented by PUDs and other entities participating in the development of the facilities authorized under this act must comply with state prevailing wage requirements.

Votes on Final Passage:

House	92	2	
Senate	46	2	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

EHB 2641

C 160 L 08

Creating a pilot program to test performance agreements at institutions of higher education.

By Representatives Jarrett, Priest, Wallace, Ormsby, McIntire, Sells, Morrell, Upthegrove, Sullivan and Haler.

House Committee on Higher Education
Senate Committee on Higher Education
Senate Committee on Ways & Means

Background: Higher education systems have come under increasing public and governmental scrutiny with respect to what they do, how well they do it, and at what cost. The globalization of economic competition focused on quality, rapid innovation, and cost has impacted thinking about business, government, and education. This phenomenon has raised expectations for outcome-based performance by all kinds of publicly supported programs.

Professionally based accreditation organizations have traditionally played an important role in *institutional* quality assurance and recently have urged colleges and universities to focus on assessing student learning and other outcomes. For instance, the Accrediting Board for Engineering and Technology has shifted much of the focus of its accreditation review to student outcomes. In addition, boards of trustees, often comprised of influential business people, are paying more attention to outcomes and efficiencies.

At the same time as attention is paid to quality, pressure to increase quantity within higher education institutions is simultaneously increasing. The 2008 Higher Education Coordinating Board's (HECB) Strategic Master Plan for Higher Education argues that several factors will combine to push for system growth. For instance, demographic projections indicate that the population of Washington will grow 37 percent by the year 2030 at the same time that business leaders call for better-prepared graduates in a diversity of fields. Retirements of "baby-boomers" and the increased recognition of education as a driver for economic prosperity combine to urge policy-makers to expand enrollments.

There is a growing body of evidence suggesting that states are seeking a capacity to articulate statewide public needs and envision systemic efficiencies, some of which go well beyond the scope of any single institution, using an outcome-based method, variously named "contract," "compact," or "agreement." While there is some variation across states, the basic idea of this "performance agreement" is that state higher education entities and executive and legislative leaders come together to identify goals and performance expectations for higher education that includes an authoritative commitment to adequate plans, support, and stability. The outcome of this process is to create agreement among the parties that articulates specific understanding about what results will be achieved, by whose actions, and with what resource expectations.

Summary: Beginning in 2008, performance agreements must be pilot-tested with the public four-year institutions of higher education.

Purpose of a Performance Agreement. A performance agreement's purpose is to develop and communicate a six-year plan developed jointly by state policymakers and an institution of higher education that aligns goals, priorities, desired outcomes, flexibility, institutional mission, accountability, and levels of resources.

Content of a Performance Agreement. Minimum elements of a performance agreement are defined as:

- indicators that measure outcomes concerning cost, quality, timeliness of student progress, recruitment and retention of students and faculty of color, and articulation between and within K-12 and higher education;
- benchmarks and goals for long-term degree production, including discrete particular fields of study;
- the level of resources to meet the performance outcomes, benchmarks, and goals subject to legislative appropriation;
- links to role, mission, strategic plan of the institution, and the HECB master plan; and
- the prioritization of four-year institution capital budget projects by the Office of Financial Management.

The performance agreements may include grants of flexibility or waivers from state controls or rules. The agreements may also identify areas where statutory change is needed to grant flexibility. Waivers and grants of flexibility may not be included in performance agreements when the waivers and grants pertain to collective bargaining agreements, faculty codes, prevailing wages, health and safety, civil rights, nondiscrimination, and state laws regarding employment.

Process of Development. The State Performance Agreement Committee (state committee) is created to represent state interests, with representatives from the Governor's Office, the Office of Financial Management (OFM), the HECB, the Office of the Superintendent of Public Instruction, two members of the Senate, and two members of the House of Representatives. Personnel from the HECB must staff the State Performance Agreement Committee.

Participating pilot institutions appoint members to their respective negotiating teams. Each team must include two faculty representatives. At schools that participate in collective bargaining, at least one of the faculty members must be appointed by the exclusive bargaining agent at the campus; otherwise, the members must be appointed by the faculty Senate.

Once bargaining teams are created, the following takes place:

- (1) Each institution develops a preliminary draft with input from students and faculty and shares the plan with the state committee.
- (2) The state committee and institutions collaboratively develop revised drafts and submit them to the Governor and higher education and fiscal committees of the Legislature by September 1, 2008.
- (3) After receiving input, the state committee and institutions develop final agreements and submit them to the Governor and the OFM by November 1, 2008, for consideration in the 2009-11 budget.
- (4) If the Legislature affirms in a budget proviso that the enacted budgets (capital and operating) align with the agreements, the agreements will be in effect from July 1, 2009, through June 30, 2015.
- (5) If the Legislature affirms in a budget proviso (or by inaction) that the enacted budgets do not align, the agreements must be redrafted and take effect September 1, 2009, through June 30, 2015.
- (6) The process of performance agreement revision is repeated with each subsequent budget that is enacted between 2010 and 2014 so that the agreements and the budgets are aligned.

The Joint Legislative Audit and Review Committee is to conduct an evaluation with recommendations for changes, continuation, and expansion due November 1, 2014.

Votes on Final Passage:

House	95	2	
Senate	48	0	(Senate amended)
House	92	1	(House concurred)

Effective: June 12, 2008

E2SHB 2647

PARTIAL VETO

C 288 L 08

Regarding the children's safe products act.

By House Committee on Appropriations (originally sponsored by Representatives Dickerson, Hudgins, Hunt, Morrell, Pedersen, Williams, Cody, Green, Campbell, VanDeWege, Hasegawa, Roberts, Loomis, Upthegrove, Lias, Hunter, Chase, Smith, McIntire, Barlow, Conway, Priest, Schual-Berke, Simpson, Kenney, Goodman, Sells, Rolfes, Darneille and Lantz).

House Select Committee on Environmental Health
House Committee on Appropriations
Senate Committee on Water, Energy & Telecommunications
Senate Committee on Ways & Means

Background: Federal Laws, Regulations, and Guidelines. The Federal Hazardous Substances Act (FHSA) grants the Consumer Product Safety Commission (CPSC) the authority to promulgate regulations to protect consumers from products containing hazardous substances. The CPSC has restricted the amount of lead in paint to a maximum of 600 parts per million (ppm). This restriction applies to consumer products, toys, furniture, and products sold to consumers for use in homes, schools, parks, hospitals, and other areas. The CPSC is charged with protecting the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products under the agency's jurisdiction. A part of CPSC's mission is to inform the public about product hazards and to issue notices of public recalls. The CPSC issues recalls for toys.

Cosmetics marketed in the United States are regulated by the Food and Drug Administration (FDA) pursuant to the Federal Food, Drug, and Cosmetic Act (FDCA) and the Fair Packaging and Labeling Act (FPLA). The FDCA prohibits the marketing of adulterated or misbranded cosmetics in interstate commerce. Violations of the FDCA involving product composition – whether they result from ingredients, contaminants, processing, packaging, or shipping and handling – cause cosmetics to be adulterated and subject to regulatory action. In addition, under the authority of the FPLA, the FDA requires an ingredient declaration on the cosmetic products sold at the retail level to consumers.

Lead. According to the Centers for Disease Control and Prevention's International Chemical Safety Card for

lead, lead can be absorbed into the body by inhalation and ingestion. Long term or repeated exposure to lead may have effects on the blood bone marrow, central nervous system, peripheral nervous system, and kidneys, resulting in anemia, encephalopathy (e.g., convulsions), peripheral nerve disease, abdominal cramps and kidney impairment. Long term or repeated exposure to lead may cause toxicity to human reproduction or development.

The American Academy of Pediatrics recommends a level of 40 ppm of lead as the maximum that should be allowed in children's products. Lead is often found in brightly colored wood and vinyl toys and imported jewelry.

Cadmium. According to the Centers for Disease Control and Prevention's International Chemical Safety Card for cadmium, cadmium can be absorbed into the body by inhalation of its aerosol and by ingestion. Cadmium exposure is associated in animal studies with developmental effects, including possible decreases in birth weight, delayed sensory-motor development, hormonal effects, and altered behavior. Cadmium can cause adverse effects on the kidney, lung, and intestines. Cadmium is classified as a known human carcinogen, associated with lung and prostate cancer. Exposure to cadmium can result in bone loss and increased blood pressure. Acute toxicity from ingestion of high levels of cadmium can result in abdominal pain, nausea, vomiting, and death.

There are no restrictions on cadmium in children's products in the United States. The U.S. Environmental Protection Agency has set a limit of five parts of cadmium per billion parts of drinking water (5 ppb). The FDA limits the amount of cadmium in food colors to 15 ppm. The Occupational Safety and Health Administration limits workplace air to 100 micrograms cadmium per cubic meter as cadmium fumes and 200 mg/m³ as cadmium dust.

Phthalates. Phthalates are a group of chemicals used in hundreds of products, such as toys, vinyl flooring and wall coverings, detergents, lubricating oils, food packaging, pharmaceuticals, blood bags and tubing, and personal care products such as nail polish, hair sprays, soaps, and shampoos. Phthalates are plasticizers that are added to polyvinyl chloride (PVC) products to impart flexibility and durability.

Phthalates are widely detected in human blood and urine samples. According to the Centers for Disease Control, phthalates are found in Americans of all ages, sizes, and races. A 2005 study from the Centers for Disease Control indicates that women are slightly more exposed than men, and younger children (ages 6-11) are more exposed than older children (ages 12-19 or 20).

Phthalates are animal carcinogens and can cause fetal death, malformations, and reproductive toxicity in laboratory animals. Nondietary ingestion of phthalates

can occur when children mouth, suck, or chew on phthalate-containing toys or other objects.

Summary: Beginning July 1, 2009, manufacturers, wholesalers, and retailers are prohibited from manufacturing, selling, offering for sale, distributing for sale, or distributing for use a children's product or product component that contains:

- lead at more than .009 percent by weight (90 ppm);
- cadmium at more than .004 percent by weight (40 ppm); or
- phthalates at more than 0.1 percent by weight (100 ppm).

However, following a review by the Department of Ecology (DOE) and the Department of Health (DOH), a standard of .004 percent by weight (40 ppm) may be established by rule. The review must determine that the standard is feasible to achieve and necessary to protect children's health.

Certain products are exempt from the definition of children's product, such as chemistry sets, bicycles and tricycles, video toys, consumer electronic products, sporting equipment, and batteries.

Department of Ecology. The DOE must:

- identify high priority chemicals that are of high concern for children in consultation with the DOH (by January 1, 2009);
- identify children's products or product categories that contain chemicals of high concern for children (by January 1, 2009);
- prepare and distribute information to in-state and out-of-state manufacturers to assist them in identifying prohibited products (by July 1, 2009);
- finalize the list of high priority chemicals of high concern for children (by January 1, 2010);
- assist in-state retailers in identifying prohibited products;
- develop and publish a website providing consumers with information regarding the high priority chemicals and safer alternatives; and
- submit a report on chemicals of high concern to the appropriate standing committees of the Legislature (by January 1, 2009).

High priority chemicals that are of high concern for children are determined based on a consideration of a child's or developing fetus's potential for exposure to each chemical. The list must include chemicals that have been found to be in human umbilical cord blood, human breast milk, human urine, or other bodily tissues or fluids, or to be present in household dust, indoor air, drinking water, or elsewhere in the home environment. This list must also include chemicals that have been added to or are present in consumer products used or present in the home.

The DOE's report to the Legislature must include policy options regarding addressing children's products that contain chemicals of high concern. The report must

also include recommendations for additional ways to inform consumers about toxic chemicals in products.

The DOE may adopt rules implementing, administering, and enforcing this act.

Manufacturers. Beginning six months after DOE has adopted rules to finalize the list of high priority chemicals, manufacturers must notify the DOE of its products that contain a high priority chemical. This notice must be filed annually and must include:

- the name and chemical abstracts service registry number of the chemical;
- a description of the product or product component;
- a description of the function of the chemical in the product;
- the amount of the chemical in the product; and
- the name and address of the manufacturer and contact information.

The DOE may require manufacturers to electronically file their annual notice.

No less than 90 days prior to the effective date of the restrictions on children's products, manufacturers must notify persons that sell its products about these restrictions. Manufacturers must recall products and reimburse retailers and purchasers for products sold that are prohibited from sale under these restrictions.

Manufacturers in violation of these restrictions may be subject to a civil penalty of up to \$5,000 per violation, and up to \$10,000 for each repeat offense.

Retailers. Retailers that unknowingly sell prohibited products are not liable under this chapter.

Secretary of Health. The Secretary of Health is authorized to establish a product safety education campaign to promote greater awareness of infants and children products that contain chemicals of high concern for children.

The act is null and void unless funded in the budget.

Votes on Final Passage:

House	95	0	
Senate	40	9	(Senate amended)
House	92	2	(House concurred)

Effective: June 12, 2008

Partial Veto Summary: The Governor vetoed the intent section. The Governor also vetoed the section that allows the DOE to require manufacturers to electronically file a high priority chemical notice and that requires the DOE to: (1) assist manufacturers and retailers in product identification, (2) publish a website with consumer information on chemicals used in children's products, and (3) adopt rules to finalize the list of chemicals of high concern for children.

VETO MESSAGE ON E2SHB 2647

April 1, 2008

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning, without my approval as to Section 1 and Section 8, Engrossed Second Substitute House Bill 2647 entitled:

“AN ACT Relating to the children’s safe products act.”

Section 1 is an intent section that affirms the importance of regulating toxic chemicals in children’s products. However, this section could be read to create obligations that are beyond what state government can deliver.

Section 8 requires the Department of Ecology to adopt a rule that identifies chemicals of high concern for children by January 1, 2010. This section is premature and preempts the process identified in Section 4. Section 4 directs the Department of Ecology to identify these chemicals and report to the Legislature on policy options for addressing the chemicals by January 1, 2009. The Legislature should have the benefit of this report before the state proceeds to rulemaking to impose additional reporting and testing requirements.

For these reasons, I have vetoed Section 1 and Section 8 of Engrossed Second Substitute House Bill 2647.

Without careful implementation, this bill could adversely affect the availability of safe toys in our state, including important educational toys. To address this concern, I will establish an advisory group to work with the Departments of Ecology and Health to make sure we implement the bill with common sense, and to work on needed legislative fixes for next session. I will ask both large and small toymakers and children’s products retailers, children’s health experts, and public interest representatives to work together on these tasks, and I will invite state legislators to participate.

Section 2 applies the new standards in this bill to all components found in children’s car seats, beginning in July 2009. Limited testing to date shows that children’s car seats will meet the standards in the bill, and most seats are made with few metal components. Nonetheless, we must be absolutely certain this bill will not reduce the safety of car seats. I will ask the advisory group to take a close look at this issue and recommend rules and changes in law as needed.

I will ask the group to look at standards for both the outer surface of toys and the inside of toys, and to consider the timelines needed for the industry to implement these new standards. I will ask them to develop recommendations for legislation to ensure safe products in a manner that is practical and achievable for the industry.

Section 3 of the bill could be misinterpreted to prohibit toys with internal electronic components. I believe the bill does not prohibit these internal components, and was not intended to do so. Therefore, I direct the Department of Ecology, working with the advisory group, to conduct expedited rulemaking this year to clarify the effect of the bill accordingly.

Section 4 directs Ecology to develop a list of chemicals with potential adverse effects on children. The language in this section could result in a long list of chemicals, and future reporting requirements beyond those needed to ensure the safety of children’s products. The department’s fiscal analysis of the bill assumed no more than fifty chemicals would be identified, and the Legislature has funded their work accordingly. I ask the Department to focus on the highest priority chemicals, considering good science on the effects of chemicals on the health of children, and those chemicals likely to be found in children’s products. The Department should rely on safety testing conducted in the European Union and California, to the extent they provide a reasonable assurance of safety, in order to help establish a degree of consistency for the industry.

Section 5 requires manufacturers to report on the chemicals found in their children’s products. I have retained this portion of

the bill, as a future tool for ensuring the safety of our children, as needed. By my veto of Section 8, as described above, I have removed the bill's 2010 deadline to begin mandatory reporting. This will give us time to review the extent of reporting, consider duplication with other testing currently done by the industry, and determine how to most efficiently implement these new requirements. It will also allow us to determine whether or not proprietary information should be reported and, if so, how we can ensure that protected trade secrets are not disclosed.

With the exception of Section 1 and Section 8, Engrossed Second Substitute House Bill 2647 is approved.

Respectfully submitted,



*Christine O. Gregoire
Governor*

HB 2650
C 228 L 08

Authorizing a cigarette tax agreement between the state of Washington and the Yakama Nation.

By Representatives Santos, Ericks, Hunter and Wood; by request of Department of Revenue.

House Committee on Finance
Senate Committee on Ways & Means

Background: Cigarettes are subject to tax at a rate of \$2.025 per pack of 20 cigarettes (\$20.025 per carton). Revenue from the first 23 cents of the cigarette tax goes to the State General Fund. The next 8 cents are dedicated to water quality improvement programs through June 30, 2021, and to the State General Fund thereafter. The next \$1.01 goes to the Health Services Account. The next 10.5 cents are dedicated to the Violence Prevention and Drug Enforcement Account. The remaining 60 cents go to the Education Legacy Trust Account. A portion of the revenue to the Health Services Account and the Education Legacy Trust Account is used to reimburse other accounts for losses in revenue due to tax rate increases.

The retail sales tax applies to the selling price of tangible personal property and of certain services purchased at retail. Retail sales and use taxes cover the sales of cigarettes. The tax is levied at a 6.5 percent rate by the state. Cities and counties may levy a local tax. The state and local combined sales tax ranges from 7.5 percent to 8.9 percent.

The Department of Revenue (DOR) administers and collects the cigarette tax. Enforcement activities are the responsibility of the Liquor Control Board.

Under federal law, the cigarette tax does not apply to cigarettes sold on an Indian reservation to an enrolled tribal member for personal consumption. However, sales made by tribal cigarette retailers to non-tribal members are subject to the tax. Enforcement of state cigarette

taxes in respect to tribal retail operations has involved considerable difficulty and litigation, with mixed results.

In the 2001 session, the Governor was authorized to enter into contracts concerning the sale of cigarettes with federally recognized Indian tribes located within Washington. Contracts must be for renewable terms of eight years or less. Cigarettes sold on Indian lands during the contracts terms are subject to a tribal cigarette tax and are exempt from state cigarette and sales and use taxes. The state has entered into cigarette tax agreements with 20 of the 28 tribes for which statutory authorization has been provided.

The state and the Yakama Nation signed a cigarette tax agreement under this provision of law. In 2007 the DOR notified the Yakama Nation that the agreement was canceled due to non-compliance. The DOR and the Yakama Nation have since engaged in dispute mediation related to the agreement.

Summary: The Governor may enter into a cigarette tax agreement with the Yakama Nation. Under the eight-year renewable agreement the Yakama Nation must impose a tax on the sales of cigarettes by tribal retailers to non-tribal members. The tax rate must be 80 percent of the state cigarette tax rate during the agreement's first six years, 84 percent during the seventh year, and 87.6 percent during the eighth year. The rate must increase or decrease with the state cigarette tax rate. During the agreement's term cigarette sales are subject to the tribal cigarette tax and are exempt from state cigarette and sales and use taxes.

Votes on Final Passage:

House	64	30
Senate	47	1

Effective: March 28, 2008

HB 2652
C 229 L 08

Transferring the dependent care assistance program to the health care authority by coordinating benefit plans that allow state and public employees to pay on a pretax basis.

By Representatives Morrell, Fromhold, Moeller, McIntire, Simpson and Kenney; by request of Health Care Authority and Department of Retirement Systems.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The Dependent Care Assistance Program (DCAP) allows state employees to set aside a portion of their salary, before taxes, to be used to reimburse dependent care providers. The federal Internal Revenue Service establishes various limitations on the amount of money that may be set aside and how it may be used. One limitation is that any amounts set aside that are not

used by the end of the year are forfeited. Forfeitures are currently transferred to the State General Fund, as is the interest earned during the year on funds set aside by employees. Employers experience a slight cost savings when employees participate in the plan because the employer does not have to pay social security taxes on any salary dollars set aside under the DCAP.

The DCAP is administered by the Department of Retirement Systems (DRS), and about 1,100 public employees are utilizing the DCAP, with annual deferrals totaling about \$4.3 million.

The Health Care Authority administers health, life, disability and other benefit and insurance programs for employees and retirees of the state government, local governments, and school districts. Among those programs are ones like the Health Care Flexible Spending Account Program (FSA), which is a pre-tax salary set-aside program operated under the same provisions of the federal Internal Revenue Code as the DCAP administered by the Department of Retirement Systems. The FSA program reimburses employees for health care expenses such as health care deductibles, copayments, eligible non-prescription medications, and other items not covered by insurance.

In 2007 the Department of Retirement Systems and the Health Care Authority arranged by interagency agreement that beginning January 1, 2008, the DCAP will be administered by the Health Care Authority's Public Employees Benefits Board (PEBB) program.

Summary: The administration of the Dependent Care Assistance Program and associated funds are transferred from the Department of Retirement Systems to the Health Care Authority. Changes are made to the definition of "benefits contribution plan" within the Health Care Authority laws, renaming them "premium payment plans" and expanding the definition sufficiently to encompass both the DCAP and the Medical Flexible Spending arrangement, or Health Care Flexible Spending Account program. Department of Retirement Systems laws related to the DCAP are repealed.

Votes on Final Passage:

House	96	0
Senate	49	0

Effective: January 1, 2009

SHB 2654

C 22 L 08

Creating a process for certifying community-based mental health services.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Hinkle, Cody, Moeller, Green and Kenney).

House Committee on Health Care & Wellness
Senate Committee on Human Services & Corrections

Background: The State of Washington applied for a federal Mental Health Transformation Grant (MHTG) in 2005. The federal government approved the state's grant application and awarded a five-year grant, which is managed out of the Office of the Governor. The MHTG is in year three of a five-year effort to transform the delivery of mental health services through focusing on resilience, recovery, and consumer directed services.

Summary: The Department of Social and Health Services (Department) is directed to prepare a report on strategies to develop consumer-run and family-run community mental health services, including the amendment of the Medicaid waiver and Mental Health State Plan.

The Department is directed to provide technical assistance to community service agencies to help them organize, become Medicaid certified, and provide rehabilitation, recovery, and support services.

Votes on Final Passage:

House	96	1
Senate	47	0

Effective: June 12, 2008

SHB 2661

C 61 L 08

Allowing for reasonable self-storage facility late fees.

By House Committee on Commerce & Labor (originally sponsored by Representatives Green and Morrell).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: The Washington Self-Service Storage Facility Act (Act) governs the leasing and renting of individual storage units in self-service storage facilities. The Act requires that all rental and lease agreements be in writing. Owners must also comply with certain procedures when addressing past due rent, terminating the rental or lease agreement, placing liens on personal property stored in the unit, and disposing of unclaimed personal property.

The Act applies to rental agreements entered into, extended, or renewed after June 9, 1988. All rental agreements entered into before June 9, 1988, and not extended or renewed after that date, remain valid.

Summary: The owner of a self-service storage facility may charge a reasonable late fee if it is written in the rental agreement. A late fee of \$20 or 20 percent of the monthly rental amount, whichever is greater, is deemed reasonable and is not a penalty.

A late fee is defined as a fee or charge assessed by an owner of a self-service storage facility as an estimate of any loss incurred by an owner for an occupant's failure to pay rent when due. A late fee is not a penalty nor an interest on debt. Additionally, a late fee is not a reasonable expense which the owner may incur in the course of collecting unpaid rent, in enforcing the owner's lien rights, or enforcing any other remedy provided by law or contract.

The Act applies to rental agreements entered into, automatically extended, or automatically renewed after June 9, 1988. All rental agreements entered into before June 9, 1988, and not automatically extended or automatically renewed after that date, remain valid.

Votes on Final Passage:

House	95	1
Senate	49	0

Effective: June 12, 2008

SHB 2666
C 145 L 08

Establishing standards for long-term care insurance.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Morrell, Cody, McCoy, Green, Hunt, Wallace, Pedersen, Moeller, McIntire, Barlow, Conway, Simpson and Darneille).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: The National Association of Insurance Commissioners (NAIC) has developed national uniform standards to facilitate interstate cooperation and commercial transactions that cross state boundaries. The NAIC has worked closely with the National Conference of State Legislatures, the National Conference of Insurance Legislators, and the National Association of Attorneys General in the development and refinement of model legislation for a number of insurance areas that may be filed through an interstate compact. Insurance carriers may file products in one venue through the interstate compact and sell their products for life insurance, annuities, disability income, and long-term care insurance products in all participating compact states. The 2005 Washington Legislature directed the state to

participate in the interstate insurance product regulation compact.

Long-term care insurance is a relatively new insurance product compared to other insurance products, such as life insurance. Washington first passed the Long-Term Care Insurance Act in 1986. Since that time, policy standards have evolved and long-term care delivery approaches have changed dramatically. The NAIC model long-term care act includes a number of modifications dealing with rate stabilization and other consumer protections.

Summary: The NAIC model long-term care act is adopted for all long-term care insurance policies sold in Washington on or after January 1, 2009. Standards governing policies sold prior to January 2009 remain in place. The new policy definitions allow long-term care policies to meet Internal Revenue Code requirements as tax qualified plans, including life insurance contracts with long-term care insurance riders.

A stricter definition of pre-existing conditions is provided which limits the conditions to those identified within the six months preceding the effective date of coverage. A policy may not exclude coverage for a loss or confinement that is a result of a pre-existing condition, unless the loss or confinement begins within the first six months of coverage. A policy may not exclude, limit, or reduce coverage or benefits for specifically named or described pre-existing diseases or conditions beyond the waiting period.

An individual purchasing a long-term care policy may return the policy for any reason within 30 days and receive a full premium refund. An outline of coverage must be available for a prospective applicant at the time of initial solicitation. The Office of the Insurance Commissioner (OIC) must prescribe a standardized outline of coverage that must be provided to each applicant.

Monthly reports must be generated for those using a long-term care benefit funded through a life insurance policy, by acceleration of the death benefit, which details the amount of benefit paid out and remaining.

The OIC must develop minimum standards for inflation protection features. All policies offered must include an offer of a non-forfeiture benefit, which allows the purchaser to retain some benefits in the event they discontinue premium payments. The OIC must adopt rules specifying the type or types of non-forfeiture benefits to be offered, protect patient privacy rights, and set standards for an issuer's timely review of claim denials.

Insurance producers, brokers, and agents must complete one-time training to sell long-term care policies offered under this new chapter. Each carrier or issuer of policies must develop and use suitability standards to determine whether the purchase of long-term care coverage is appropriate for the applicant.

Votes on Final Passage:

House	94	0	
Senate	48	0	(Senate amended)
House	93	0	(House concurred)

Effective: January 1, 2009**E2SHB 2668****PARTIAL VETO**

C 146 L 08

Concerning long-term care.

By House Committee on Appropriations (originally sponsored by Representatives Morrell, Green, Cody, Hunt, McCoy, Wallace, Pedersen, Campbell, McIntire, Conway, Simpson, Kenney and Darneille).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: The Long-Term Care Task Force (Task Force) was created in 2005 in legislation requested by Governor Gregoire. The Task Force met for two and a half years, and held its last meeting in July 2007. The Task Force received testimony related to the fact that most long-term care services are provided by family members and informal caregivers.

One of the themes that emerged in Task Force meetings was that informal caregivers – family, friends, and neighbors who make up the vast majority of care providers – need more access to information, community services, respite, equipment, counseling, training, and other forms of support to continue to care for loved ones in their homes and neighborhoods for as long as possible. Further, information was presented to the Task Force that better use of preventive health care strategies and improved management of chronic care would promote and sustain informal caregiving around the state.

Summary: Caregivers who provide critical health and safety support to long-term care recipients may receive a one-time voucher benefit which may be used for respite or other services. The Department of Social and Health Services (DSHS) will develop a caregiver assessment and referral tool to determine eligibility for this benefit and other services. Statewide services provided by DSHS and the area agencies on aging will include long-term care planning, counseling, crisis intervention, and streamlined access to community based services. Area Agencies on Aging will include information on changing demographics in their service area in their annual plans.

Adult family homes are not required to develop plans of care or discharge for respite care services. When providing respite care, boarding homes will obtain sufficient information to meet the individual's needs.

The Department of Health is directed to develop a statewide Senior Falls Prevention Program (Program). The Program will include affordable senior-focused exercise programs, community education, and assessments on falls risk identification and reduction.

The DSHS is directed to provide additional support to residents in community settings who exhibit challenging behaviors that put them at risk for institutional placement. The DSHS may issue challenge grants to plan and establish additional adult day service programs. The DSHS may also establish two dental access projects.

The DSHS is authorized to conduct vulnerable adult fatality reviews under certain conditions.

The delegation of insulin injections is authorized.

The bill contains null and void clauses for each section with a fiscal impact.

Votes on Final Passage:

House	94	0	
Senate	49	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

Partial Veto Summary: The Governor vetoed Sections 6 and 9 which were not funded by the Legislature in the budget, and are therefore null and void pursuant to Section 15 of the bill.

VETO MESSAGE ON E2SHB 2668

March 25, 2008

*To the Honorable Speaker and Members,**The House of Representatives of the State of Washington**Ladies and Gentlemen:*

I am returning, without my approval as to Sections 6 and 9, Engrossed Second Substitute House Bill 2668 entitled:

“AN ACT Relating to long-term care.”

This bill includes the policy recommendations from the Governor's Long-Term Care Task Force designed to meet increased demands for long-term care that supports autonomy and self-determination in people's homes and in community settings rather than institutions.

Sections 6 and 9 were not funded by the legislature in the budget, and are therefore null and void pursuant to Section 15 of this bill. For these reasons, I have vetoed Sections 6 and 9 of Engrossed Second Substitute House Bill 2668.

With the exception of Sections 6 and 9, Engrossed Second Substitute House Bill 2668 is approved.

Respectfully submitted,



*Christine Gregoire
Governor*

2SHB 2674

C 135 L 08

Modifying credentialing standards for counselors.

By House Committee on Appropriations (originally sponsored by Representatives Barlow, Morrell, Moeller, Conway, Simpson and Kenney; by request of Governor Gregoire).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health & Long-Term Care

Background: The Department of Health (Department) regulates several different categories of behavioral health professionals. These include registered counselors, hypnotherapists, psychologists, chemical dependency professionals, mental health counselors, marriage and family therapists, and social workers. Registration as a counselor or hypnotherapist requires that an individual submit an application and a fee of \$40 and obtain a background check. Certification as a chemical dependency professional requires that an individual have at least an associate's degree, pass an examination, and meet specified experience requirements. Licensing as a psychologist, mental health counselor, marriage and family therapist, or social worker requires that an individual hold a graduate degree, pass an examination, and meet specified experience requirements.

In 2006, at the direction of the Governor, the Department conducted a review of the registered counselor profession to determine the appropriate level of regulation for the profession. The final report included recommendations to eliminate the profession of registered counselors and create several pre-licensure credentials, an agency-affiliated counselor credential, and a private practice counselor credential. The report also made recommendations regarding the scope of practice, content of disclosure statements, and public education campaigns. Two bills, HB 1494 and HB 1993, were introduced in the 2007 legislative session which addressed many of the recommendations in the Department's report. Neither bill passed the Legislature.

The 2007-09 operating budget directed the Department to convene another work group to develop recommendations regarding the need to regulate registered counselors. The work group report was due by November 15, 2007. The report included several recommendations pertaining to the creation of new pre-licensure credentials, an agency-affiliated counselor credential, and a private practice counselor credential similar to the 2006 report. A survey of registered counselors conducted at the direction of the work group found that about 35 percent of registered counselors are using the credential to work toward obtaining the experience requirements of another type of license, 30 percent work in a state-regulated agency, and 28 percent practice in a private practice setting.

Summary: The health profession of registered counselors is divided into eight new categories of fully-credentialed and pre-credential status health professions. To continue to practice counseling, all registered counselors must obtain another health profession credential by July 1, 2010, when the registered counselor credential is eliminated.

Agency-Affiliated Counselors, Certified Counselors, and Certified Advisers. *Practice Requirements.* Agency-affiliated counselors are registered health professionals who engage in counseling and are employed by an agency or facility that operates under state regulations. Applicants for registration as an agency-affiliated counselor must provide documentation of their employment with an agency or an offer of employment with an agency.

Certified counselors and advisers are certified health professionals authorized to engage in private practice counseling. "Private practice counseling" includes screening a client's level of functional impairment and recognizing mental or physical disorders or reduced functioning levels that require the client to seek diagnosis and treatment from an appropriate health care provider. The term also includes counseling and guiding clients in adjusting to life situations, developing new skills, and making desired changes through specific counseling methods.

Certified counselors and advisers may provide private practice counseling services to clients with a global assessment of functioning score over 60. Certified counselors and advisers must refer clients with a mental or physical disorder or a global assessment of functioning score of 60 or less to a physician, osteopathic physician, psychiatric advanced registered nurse practitioner, or mental health practitioner. Only certified counselors may counsel clients with a global assessment of functioning score of 60 or less. They may counsel such clients only when: (1) the clients are referred by certain licensed professionals and only to the extent provided in a plan of treatment designed by the referring professional; or (2) the clients refuse in writing the referral made by the counselor, and services are provided to the extent authorized in a plan of treatment developed by the counselor with his or her consultant or supervisor. Certified counselors may not be the sole treatment provider for any client with a global assessment of functioning score less than 50.

Applicants for a certificate to conduct private practice counseling as a certified counselor who apply prior to July 1, 2010, must:

- be a currently registered counselor in good standing;
- have been a registered counselor for at least five years;
- have completed courses in risk assessment, ethics, screening and referral, Washington law, and other

subjects identified by the Secretary of Health (Secretary) and pass an examination in these subjects; and

- have a written consultation agreement with a credential holder.

Applicants for a certificate to conduct private practice counseling as a certified counselor or adviser after July 1, 2010, must:

- have a bachelors degree in a field related to counseling to become a certified counselor or have an associates degree and supervised experience to become a certified adviser;
- pass an examination in risk assessment, ethics, screening and referral, Washington law, and other subjects identified by the Secretary; and
- have a written supervisory agreement with an approved supervisor.

In addition to the Secretary's present authority relating to registered counselors, the Secretary is authorized to establish requirements for credentialed professions related to education equivalency, examinations, supervision, consultation, and continuing education.

Disclosure Statements. Certified counselors and advisers must provide disclosure statements to clients similar to the disclosures currently provided by registered counselors with additional information requirements. The disclosures must also include referral resources, a statement regarding the supervisory arrangement of the certified counselor or adviser, and a statement that they are not credentialed to diagnose mental disorders or to conduct psychotherapy. Clients are not responsible for any charges prior to the receipt of the disclosure statement.

Advisory Committee. The Washington State Certified Counselors and Hypnotherapist Advisory Committee (Committee) is established. The Committee is comprised of two certified counselors or advisers, two hypnotherapists, and three members of the public. Members shall be appointed by the Secretary.

Associates and Trainees. Associate licenses are created for individuals pursuing a license as a social worker, mental health counselor, or marriage and family therapist. Associates must have a graduate degree and be working toward meeting the supervised experience requirements as required for a full license. Associates may not practice independently for a fee. Associates may only practice under approved supervision. An associate license may be renewed up to four times.

A chemical dependency professional trainee credential is created for individuals working toward the education and experience requirements for certification as a chemical dependency professional. To obtain a trainee credential, an individual must submit a declaration to the Secretary that he or she is enrolled in an approved education program and pursuing the experience requirements for full certification. Trainees must practice under levels of supervision determined by rule, except that the first 50

hours of client contact must be under direct supervision. A trainee credential may be renewed up to four times.

Other. One must be registered with the Department to practice hypnotherapy for a fee.

Peer counselors and peer counselor training activities are exempt from credentialing requirements.

The Department of Health must report to the Legislature and the Governor by December 15, 2011, regarding the number of certified counselors and advisers, the number of disciplinary actions, credentialing requirements, and cost savings or expenditures regarding the administration of the profession.

Votes on Final Passage:

House	89	8	
Senate	44	3	(Senate amended)
House	90	3	(House concurred)

Effective: June 12, 2008

July 1, 2009 (Sections 1, 2, 7-9, and 11-19)

HB 2678

C 296 L 08

Restoring the preferential timber industry business and occupation tax rate to the manufacture of environmentally responsible surface material products from recycled paper.

By Representatives Kessler, VanDeWege, Blake, Williams and McIntire.

House Committee on Finance

Senate Committee on Ways & Means

Background: Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions, and other tax incentives permitted by law. Major tax rates are 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and 1.5 percent for services; a variety of lower rates also apply to specific business activities. The B&O tax generates about 16 percent of all state tax collections; most of the receipts are deposited in the State General Fund.

In 2006 the Legislature authorized a lower B&O tax rate for extracting and wholesaling of timber and for manufacturing of timber and wood products. The applicable tax rate dropped from 0.484 percent to 0.4235 percent for fiscal year 2007, and then to 0.2904 starting on July 1, 2007. This rate is scheduled to remain in effect until June 30, 2024.

Summary: Eligible products that qualify for the reduced tax rate are broadened. The term "timber products" includes recycled paper that is used in manufacturing of biocomposite surface products, and the term

"wood products" includes biocomposite surface products.

Definitions and requirements for these items are provided. At least 50 percent of the fiber content of recycled paper must be post-consumer waste which would otherwise be disposed of as solid waste. Biocomposite surface products must contain at least 50 percent recycled paper and have a bonding agent consisting of non-petroleum-based phenolic resin.

These provisions apply retroactively to July 1, 2007.

Votes on Final Passage:

House	93	1
Senate	48	1

Effective: June 12, 2008

SHB 2679
PARTIAL VETO

C 297 L 08

Creating programs to improve educational outcomes for students in foster care.

By House Committee on Appropriations (originally sponsored by Representatives Roberts, Pettigrew, Hunt, Hasegawa, Sullivan, Chase, Morrell, McIntire, Santos, Barlow, Simpson, Kenney, Goodman, Wood, Darneille, Lantz and McDonald).

House Committee on Education
House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: The Puget Sound Educational Service District (PSESD) is one of nine educational service districts in Washington. The PSESD includes 35 school districts in King and Pierce counties plus Bainbridge Island. The students in the PSESD constitute about 38 percent of K-12 public school students in the state.

The educational stability and continuity of school placement for children in foster care has been the subject of legislation in Washington for the past several years. In 2002 the Legislature directed the Department of Social and Health Services (DSHS), in cooperation with the Office of the Superintendent of Public Instruction (OSPI), to convene a working group and prepare a plan to address educational stability and continuity for school-age children entering short-term foster care, and assure that the best interest of the child is a primary consideration in the school placement of a child in short-term foster care.

In response to the recommendations made by the working group, the 2003 Legislature enacted a state policy that, whenever practical and in the best interest of the child, children placed into foster care must remain enrolled in the schools they were attending at the time

they entered foster care. Administrative regions of the DSHS were directed to develop protocols with school districts specifying strategies for communication, coordination, and collaboration regarding the status and progress of foster children placed in the region.

To accomplish these tasks the DSHS was directed to establish an oversight committee to develop strategies for maintaining foster children in the schools they were attending at the time they entered foster care and to work with the Administrative Office of the Courts (AOC) to develop protocols to ensure that educational stability is addressed during the shelter care hearing.

The 2005 Legislature expanded the membership of the oversight committee to include the Higher Education Coordinating Board (HECB), foster youth, former foster youth, and foster parents. The scope of responsibilities of the oversight committee was also expanded to include promotion of opportunities for foster youth to participate in post-secondary education or training.

In 2007 the HECB was directed to create a six-year pilot program to provide outreach, information, and scholarships to foster children to enable them to pursue post-secondary education.

Summary: Foster Care Program Supervisor. The PSESD is directed to designate a foster care program supervisor. Some of the duties of the supervisor include:

- facilitating the use of educational resources to improve educational outcomes;
- developing and distributing model school policies to improve support and services;
- training directed at educating school and DSHS personnel regarding the need for foster children to have strong relationships with adults at the school as well as access to the various programs;
- coordinating with the homeless education supervisor within the OSPI;
- providing technical assistance to schools with respect to DSHS policies;
- coordinating with the education leads in the DSHS Region 4 (King County) and Region 5 (Pierce and Kitsap Counties) to facilitate completion of inter-agency agreements for top priority school districts; and
- establishing a model information and data sharing agreement with the DSHS and facilitating completion of these agreements.

Annual Report by the OSPI. The OSPI is required to provide an annual report to the Legislature regarding the educational experiences and progress of the children in out-of-home care. This information must be disaggregated to the extent allowable by privacy laws in order to show which school districts are experiencing the greatest challenges and successes.

Grant Program. The PSESD is to create a grant program for local school districts to improve stability and educational outcomes for students in foster care. The

grants are to be awarded to the districts with the highest incidence of Child Protective Services (CPS) removals and foster care placements. The grant money must supplement, not supplant, current funding. Grant money may be used for activities such as tutoring, transportation, and additional counseling support as well as for fees normally covered by parents for such items as extracurricular activities, school pictures, and yearbooks.

The PSESD must submit an annual report to the Legislature regarding grant program outcomes.

School District-Based Foster Care Recruitment Pilot Programs. Subject to the availability of funds, the DSHS must fund two school district-based pilot programs. These pilot programs are to coordinate with existing foster care recruitment contracts. Funds may be used to expand existing contracts or to fund the DSHS Children's Administration staff. The DSHS is to report annually to the Legislature on the increase or decrease of foster homes within the pilot areas.

Release of Educational Records to the DSHS. School districts are required to respond within two school days to requests from the DSHS for records of children in foster care.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

Partial Veto Summary: The governor vetoed the sections directing the PSESD to designate a foster care program supervisor and to create a grant program. The governor also vetoed the section creating a school-district based foster care recruitment pilot program and the section providing that the bill is null and void if not funded in the budget.

VETO MESSAGE ON SHB 2679

April 1, 2008

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 1, 3, 4 and 6, Substitute House Bill 2679 entitled:

“AN ACT Relating to improving educational outcomes for students in foster care.”

This bill relates to projects to improve educational outcomes for students in foster care.

Section 1 creates a foster care program supervisor at the Puget Sound Educational Service District.

Section 3 directs the Puget Sound Educational Service District to create a grant program for school districts to improve stability and educational outcomes for students in foster care.

Section 4 directs the Children's Administration to fund two school district-based foster care recruitment pilots.

While it is important to provide services to students in foster care, these services should be informed by effective practice and formulated in a coordinated manner. In 2007, the Legislature created the Building Bridges grant program (HB 1573) which funds partnerships of schools, families, and communities to build a comprehensive dropout prevention, intervention and

retrieval system. These grants will serve at-risk middle and high school students; targeted student populations include youth in foster care. The Children's Administration, in the Department of Social and Health Services, currently has educational advocacy coordinators. In addition, the supplemental budget enhances funding for the Children's Administration to provide Child Health Education and Tracking (CHET) screenings for all children who are in out-of-home care for 30 days or longer. Before new pilot programs are initiated, we need to evaluate the effectiveness of current programs and consider the best approach to coordinating services.

Section 6 of Substitute House Bill 2679 makes the act null and void if specific funding for this act is not provided in the omnibus appropriations act. The funding in the budget was specifically for Sections 1, 3, and 4. To retain the policies in Sections 2 and 5, this null and void section must be vetoed.

For these reasons, I am vetoing Sections 1, 3, 4, and 6 of Substitute House Bill 2679.

With the exception of Sections 1, 3, 4, and 6, Substitute House Bill 2679 is approved.

Respectfully submitted,



Christine Gregoire
Governor

ESHB 2687
PARTIAL VETO
C 329 L 08

Making 2008 operating supplemental appropriations.

By House Committee on Appropriations (originally sponsored by Representative Sommers; by request of Office of Financial Management).

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The state government operates on a fiscal biennium that begins July 1 of each odd-numbered year. The 2007-09 biennial operating budget appropriated \$29.6 billion from the State General Fund for a variety of purposes. The State General Fund and several other accounts, referred to as Near General Fund, had appropriations of \$33.4 billion. The total budgeted amount, which includes state and federal funds, was \$56.8 billion.

Summary: Appropriations are modified for the 2007-09 biennium. This bill increases State General Fund appropriations by \$223 million. Near General Fund accounts, which include both the State General Fund and several other accounts, increase by \$299 million. Total budgeted funds are increased by \$445 million.

Votes on Final Passage:

House 62 33
 Senate 31 17 (Senate amended)
 House (House refused to concur)

Conference Committee

Senate 31 18
 House 64 32

Effective: April 1, 2008

Partial Veto Summary: The governor vetoed a number of provisions as the result of policy differences, technical matters, or to reduce overall expenditures. See the veto message for specific items.

VETO MESSAGE ON ESHB 2687

April 1, 2008

To the Honorable Speaker and Members,
 The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 103(14); 113(2); 114(2); 123(6); 123(12); 125(41); 125(62); 125(76); 125(78); 125(84); 127(11); 127(12); 147(5); 202(26); 202(27); 202(33); 202(34); 202(36); 203(9); 204(1)(u); 204(3)(b); 204(4)(b); 206(21); 209(29); 211, page 135, lines 30-35; 212(10); 216, page 143, lines 20-27; 218(19); 218(20); 222(37); 222(46); 222(51); 222(53); 224(1)(h); 224(1)(i); 302(27); 302(32); 302(33); 302(37); 302(39); 303(18); 307(31); 307(32); 307(44); 308(27); 311(5); 501(2)(a)(vi); 501(2)(a)(x); 501(2)(c)(xv); 501(2)(c)(xvii); 501(2)(c)(xviii); 507(4); 507(5); 507(6); 511(46); 511(48); 601(2); 605(14); 605(23); 605(24); 606(23); 606(24); 606(26); 606(27); 607(19); 607(22); 607(23); 608(7); 609(8); 610(13); 610(18); 611(9); 611(10); 612(8); 612(9); 613(9); and 906, Engrossed Substitute House Bill 2687 entitled:

“AN ACT Relating to fiscal matters.”

I am vetoing the following sections because I disagree with the overall policy or direction, or for technical reasons that include alignment with vetoed bills, or bills that did not pass, drafting errors, and conflicts with existing statutes.

Section 114(2), page 16, Office of the Governor, Implementation of SB 6313 (disability history)

Funds were added to implement Senate Bill 6313, but the bill does not add duties to the Office of the Governor.

Section 123(12), pages 26-27, Attorney General, SSB 6385 (real property)

This proviso funds implementation of Substitute Senate Bill 6385 pertaining to real property, and stipulates that the appropriation shall lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 125(84), page 48, Department of Community, Trade and Economic Development, Implementation of ESSB 5959 (Transitional Housing)

The proviso provides funds to administer the Transitional Housing Operating and Rent program if certain sections of Engrossed Substitute Senate Bill 5959 are enacted. The referenced sections were not included in the final version of the bill.

Section 127(11), page 52, Office of Financial Management, Implementation of E2SHB 2631 (Office of Regulatory Assistance)

This proviso funds the implementation of Engrossed Second Substitute House Bill 2631. The Legislature did not pass the bill.

Section 127(12), page 52, Office of Financial Management, Tracking I-960 Costs

The proviso requires the Office of Financial Management (OFM) to track all expenditures and FTE utilization in state

government related to the responsibilities of Initiative 960, and to report to the fiscal committees of the Legislature by November 1, 2008. Although OFM is tracking its own expenditures, the majority of work in other agencies has already taken place so an additional expense of recreating records would be incurred throughout government.

Section 206(21), page 116, Department of Social and Health Services Aging and Adult Services, Long Term Care Worker Certification and Training

This proviso funds Engrossed Substitute House Bill 2693 relating to long-term care worker certification and training, and stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 211, page 135, lines 30-35, Department of Social and Health Service Special Commitment Center Program, Commitment Center Calls

This proviso funds implementation of Substitute House Bill 2756, pertaining to commitment center calls, and stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 216, page 143, lines 20-27, Board of Industrial Insurance Appeals, E2SHB 3139 (industrial insurance benefits on appeal)

The proviso funds the Board of Industrial Insurance Appeals to implement Engrossed Second Substitute House Bill 3139. However, the proviso requires the funds be used solely for the payment of benefits. The Board of Industrial Insurance Appeals adjudicates appeals but does not pay benefits, so it will be unable to use these funds to implement the bill.

Section 218(19), page 151, Department of Labor and Industries, ESSB 5831 (HVAC and refrigeration)

The proviso funds the Department of Labor and Industries to implement Engrossed Substitute Senate Bill 5831. However, the final version of the bill requires no additional money.

Section 218(20), page 151, Department of Labor and Industries, E2SHB 3139 (industrial insurance benefits on appeal)

The proviso funds the Department of Labor and Industries to implement Engrossed Second Substitute House Bill 3139. However, the funds are from the appropriated accident and medical aid accounts and the proviso requires the funds be used solely for the payment of benefits. The appropriated accident and medical aid accounts are the administrative accounts the Department uses for its industrial insurance operations and not for the payment of benefits. Benefits are paid from the non-appropriated portion of the accident and medical aid funds, so the department will be unable to use the funds provided to implement the bill.

Section 222(53), pages 165-166, Department of Health, Long Term Care Worker Certification and Training

This proviso funds Engrossed Substitute House Bill 2693, relating to long-term care worker certification and training, and stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 224(1)(h), pages 168-169, Department of Corrections Administration and Support Services, Advisory Committee

This proviso requires the Department of Corrections to establish the offenders in families advisory committee. The Department currently has voluntary family committees at each institution, making this requirement unnecessary.

Section 224(1)(i), pages 169-170, Department of Corrections Administration and Support Services, McNeil Island Corrections Center Closure Evaluation

This proviso requires the Department of Corrections to study the costs and benefits of closing McNeil Island Corrections Complex, but no funding is provided.

Section 302(32), page 189, Department of Ecology, E2SHB 3186, Beach Management Districts

I have vetoed the portion of Engrossed Second Substitute House Bill 3186 that places new requirements on state agencies

for technical assistance, coordination, monitoring and assessment. Therefore, the funds will not be needed.

Section 302(33), page 189, Department of Ecology, 2SHB 3227, Hood Canal Water Quality

This proviso funds implementation of Second Substitute House Bill 3227, pertaining to Hood Canal Water Quality. The Legislature did not pass this bill.

Section 302(37), page 190, Department of Ecology, E2SSB 6502, Release of Mercury

This proviso funds implementation of Engrossed Second Substitute Senate Bill 6502 pertaining to Release of Mercury, and stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 302(39), page 190, Department of Ecology, ESSB 6308, Climate Change Research, Preparation, and Adaptation

This proviso funds implementation of Engrossed Substitute Senate Bill 6308, pertaining to Climate Change Research, Preparation, and Adaptation, and stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 307(31), pages 204-205, Department of Fish and Wildlife, E2SHB 3186, Beach Management Districts

I have vetoed the portion of Engrossed Second Substitute House Bill 3186 that places new requirements on state agencies for technical assistance, coordination, monitoring and assessment. Therefore, the funding is not needed.

Section 307(32), page 205, Department of Fish and Wildlife, Damage to Livestock by Wildlife

This proviso requires the Department of Fish and Wildlife to compensate commercial livestock owners for damage caused by wildlife. While I appreciate the financial needs of livestock owners, the Department has no statutory authority to provide this type of compensation.

Section 307(44), pages 206-207, Department of Fish and Wildlife, SSB 6307, Puget Sound Marine Managed Areas

This proviso funds implementation of Substitute Senate Bill 6307 pertaining to Puget Sound Marine Managed Areas. It stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 308(27), page 213, Department of Natural Resources, E2SHB 3186, Beach Management Districts

I have vetoed the portion of Engrossed Second Substitute House Bill 3186 that places new requirements on state agencies for technical assistance, coordination, monitoring and assessment so the funding is not needed.

Section 311(5), page 218, Puget Sound Partnership, SSB 6307, Puget Sound Marine Managed Areas

This proviso funds implementation of Substitute Senate Bill 6307 pertaining to Puget Sound Marine Managed Areas. It stipulates that the appropriation will lapse if the bill is not enacted. The Legislature did not pass the bill.

Section 501(2)(a)(x), pages 235-236, Superintendent of Public Instruction, E2SHB 2712 (Criminal Street Gangs)

Engrossed Second Substitute House Bill 2712 pertaining to criminal street gangs does not include provisions requiring the Office of the Superintendent of Public Instruction (OSPI) to create a brochure based on the recommendations of the task force on gangs. Therefore, OSPI does not need \$180,000 for development, translation, and printing of brochures.

Section 501(2)(c)(xvi), pages 239-240, Superintendent of Public Instruction, PSAT

This appropriation provides reimbursement to school districts for costs associated with offering the Preliminary Scholastic Aptitude Test (PSAT) to tenth grade students. While this test may provide students some information about their readiness for the SAT and college preparedness, it is a new approach that has not been tested in Washington. There are other efforts already under way, such as the mathematics college readiness assessment, which has shown promising results in Washington schools to influence students' course-taking decisions and preparedness for college-level work.

Section 501(2)(c)(xviii), page 240, Superintendent of Public Instruction, Dual Credit Workgroup

This proviso adds funding for the Office of Superintendent of Public Instruction (OSPI) to convene a multi-agency workgroup regarding statewide coordination of dual credit programs, such as Running Start and Advanced Placement. Because this is a fundamental responsibility of all agencies involved in dual credit programming, they do not require additional funding to conduct this planning and analysis. I am asking that OSPI, the State Board for Community and Technical Colleges, representatives from public four-year institutions of higher education, the Workforce Training and Education Coordinating Board, the Council of Presidents, and the Higher Education Coordinating Board work together, with input from local programs, to develop a statewide coordinated plan for dual credit programs.

Section 507(4), page 264, Superintendent of Public Instruction--Educational Service Districts, Reading Improvement Specialist, pursuant to E2SSB 6673 (Student Learning Opportunities)

This proviso adds \$876,000 for reading improvement specialists at the Educational Service Districts. Reading was an early focus for school improvement efforts. A number of programs and services continue to focus on improving reading achievement, such as Reading First federal grants; Reading Corps; and district-focused activities with federal Title I, state Learning Assistance Program, and other sources. The Office of the Superintendent of Public Instruction also has used federal Title II funds to provide targeted professional development in reading instruction for secondary schools.

Section 507(5), page 264, Superintendent of Public Instruction--Educational Service Districts, Outreach to Community-Based Organizations, pursuant to E2SSB 6673 (Student Learning Opportunities)

This proviso appropriates funds to Educational Service Districts to develop and provide a program of outreach to community-based programs and organizations that are serving non-English speaking segments of the population, as well as those programs that target groups of students that are struggling academically. This idea should be considered within the context of the studies, funded in other parts of this budget and due this December, that will analyze and make recommendations on how to close the achievement gap.

Section 511(46), page 285, Superintendent of Public Instruction--Education Reform, Career Opportunities pursuant to E2SSB 6673 (student learning opportunities)

This proviso appropriates funding for a grant program to school districts to provide summer school funding for middle and high school students to explore career opportunities in math, science, and technology. Similar programs are already offered by school districts, skills centers and private organizations. One exciting opportunity initiated in 2006 is the Washington Aerospace Scholars, a statewide partnership through the Washington Aerospace Scholars Foundation with The Museum of Flight, schools, and business partners. The program gives high school students the opportunity to participate in hands-on engineering activities, tour facilities at Boeing, the University of Washington, Microsoft and Battelle, receive mentoring from astronauts, pilots, engineers and scientists, and conduct a project on Mars exploration.

Section 601(2), pages 296-297, Higher Education, Salary Increases at Institutions of Higher Education

There is a drafting error in this section, which could result in a policy change the Legislature did not consider.

Child Care for Students
Section 605(14), page 309, State Board for Community and Technical Colleges, and

Section 613(9), page 343, Higher Education Coordinating Board

Substitute House Bill 2582 takes the first step toward the goal of expanding child care by laying out a new matching grant procedure and allowing student governments at each college to

raise funds through private donations. However, expanding the combined two- and four-year programs from \$100,000 per year to .1 million per year should be evaluated in the biennial budget process when it can be reviewed in context with existing child care programs.

Section 605(23), page 311, State Board for Community and Technical Colleges, Adult Literacy Education

This proviso directs the State Board for Community and Technical Colleges to convene a one-day summit on adult literacy and to conduct a media campaign to inform citizens about the availability of adult literacy programs and services. The Board should consider making adult literacy a feature of its media campaigns and convening a summit to inform the public on the status of its adult literacy programs within existing appropriations.

Mental Health Staffing

Section 606(23), page 319, University of Washington

Section 607(19), page 324, Washington State University

Section 608(7), page 327, Eastern Washington University

Section 609(8), page 330, Central Washington University

Section 610(13), page 333, The Evergreen State College

Section 611(10), page 338, Western Washington University

Last year, I asked each higher education institution what campus safety issues were most important to them. We learned from national experts' recommendations following the Virginia Tech shooting. We learned more following the tragedy at Northern Illinois. My budget proposal funded critical equipment and technology to warn students at all campuses.

Instead, these provisos fund one mental health counselor for each institution, regardless of size. The community and technical colleges, home to the majority of our higher education enrollment, is excluded entirely. If an institution determines that a mental health counselor is the best investment for the institution, it can direct its own resources to this program. As part of their work pursuant to Second Substitute House Bill 2507 and Substitute Senate Bill 6328, I ask each four-year institution and the State Board for Community and Technical Colleges to develop prioritized lists of possible investments and any legislation required to make student safety a priority in the 2009 Session.

Section 606(24), page 319, University of Washington, Biota Impacts from Low Dissolved Oxygen in Hood Canal

Since 2003, Congressman Norm Dicks has sounded the alarm about the health of Hood Canal, securing federal funding to study the low dissolved oxygen content in Hood Canal. This allowed the University of Washington (UW) to create the Hood Canal Dissolved Oxygen program, which investigates the causes of the problem and, along with the Puget Sound Partnership, attempts to find a solution. Given the extensive work under way by the Partnership and the UW, we need to ensure that all funding for this problem works together, and that we do not duplicate efforts.

Section 610(18), page 334, The Evergreen State College, Examine Data Gathered Through Sex Offender Address Verification Activities

The Washington Association of Sheriffs and Police Chiefs (WASPC) is overseeing a program to verify the address and residency of all registered sex offenders and kidnapping offenders. As part of this program, WASPC will collect performance data from all participating jurisdictions to evaluate the efficiency and effectiveness of the address and residency verification program. In addition, the Institute for Public Policy at The Evergreen State College was tasked with assessing the prevalence of sex offenders who register as homeless as a means to avoid disclosing their residence. This analysis can be completed by WASPC in its administration of the program and assessment of its effectiveness.

Section 612(8), page 340, Higher Education Coordinating Board, E2SHB 2783 (Education Transfer Articulation)

Engrossed Second Substitute House Bill 2783 creates work groups and outlines tasks to improve student credit

transferability among community and technical colleges and four-year institutions of higher education. While this focuses on the right problems, efforts already exist at the Higher Education Coordinating Board (HECB) and State Board for Community and Technical Colleges (SBCTC) in this area. I am asking the agencies to continue their work to develop ways to inform students, in clear language, about the transfer process and to address barriers to student transfers, especially for those transferring from technical programs or career schools. I also ask the HECB, SBCTC, and Washington Student Lobby to present proposals on transfer issues to the P-20 Council. Finally, I also want the HECB and SBCTC to refine and combine their plans for a web-based advising system.

Section 612(9), page 340, Higher Education Coordinating Board, Prior Learning Work Group

A barrier to the smooth transition from work to post-secondary education and training is how institutions evaluate and give credit for prior learning. The Higher Education Coordinating Board, State Board for Community and Technical Colleges, and Workforce Training and Education Coordinating Board have been working on this issue for years, and the State Board's prior learning assessment guidelines for colleges are an outgrowth of that work. I want these three agencies to continue working to ensure that prior learning is evaluated and utilized effectively at each campus, in each sector within existing resources.

Section 906, page 376, Washington State Gambling Commission, Gambling Revolving Fund

This section directs both the Gambling Commission and Office of Financial Management to address cash flow issues pursuant to RCW 43.88.050. However, the correct statutory reference is 43.88.260(2)(b).

Thoughtful choices and fiscal discipline are the keys to delivering what is most important to Washington's citizens. Saving money now will help Washington's students, families and seniors count on these investments being there for them in the future. A top priority for this budget must be maintaining a significant reserve. While the budget passed by the Legislature already left a notably high reserve of \$835 million, I have identified a number of items that, although valuable, are not essential to do right now. These are instances where there are additions to existing programs or new programs that are started that we may not be able to sustain. Vetoing these items now will help build an even bigger reserve, and has an important impact on future budgets. That is why I am vetoing:

Section 103(14), pages 6-7, Joint Legislative and Audit Review Committee, Cost-Benefit Analysis of a State-Supported Recreational Facility.

Section 113(2), page 15, Office of Public Defense, Parents Representation Program Increase.

Section 123(6), page 26, Attorney General, Implementation of 2SHB 2479 (wireless number disclosure).

Section 125(41), page 40, Department of Community, Trade, and Economic Development, Additional Funds for Poulsbo Marine Science Center.

Section 125(62), page 44, Department of Community, Trade, and Economic Development, Airway Heights Wastewater Treatment Plant.

Section 125(76), page 47, Department of Community, Trade, and Economic Development, Study of Non-Foodstuff Products for Low Income Residents.

Section 125(78), page 47, Department of Community, Trade, and Economic Development, Regional Visitor/Media Pavilion at the 2010 Olympic Games.

Section 147(5), page 72, Military Department, Additional Funds for Washington Information Network 2-1-1.

Section 202(26), pages 83-84, Department of Social and Health Services - Children and Family Services Program, Clark County Pilot for Reactive Attachment Disorder.

Section 202(27), page 84, Department of Social and Health Services, Children and Family Services, Additional Home Support Specialists.

Section 202(33), page 85, Department of Social and Health Services, Children and Family Services, Implementation of SHB 2679 (students in foster care).

Section 202(34), page 85, Department of Social and Health Services, Children and Family Services, Additional Contracted Educational Advocacy Coordinators.

Section 202(36), page 85, Department of Social and Health Services, Children and Family Services, Multidimensional Treatment Foster Care Program.

Section 203(9), pages 89-90, Department of Social and Health Services Juvenile Rehabilitation Program, Family Incentive Pilot Program.

Section 204(1)(u), page 97, Department of Social and Health Services, Mental Health Program, Community Services/Regional Support Networks, Grants for Clubhouses.

Section 204(3)(b), page 100, Department of Social and Health Services, Mental Health Program, Special Projects, Study of Concentrations of People with Severe and Persistent Mental Illness in Counties Proximate to State Psychiatric Hospitals.

Section 204(4)(b), page 101, Department of Social and Health Services, Mental Health Program, Program Support, Implementation of Recommendations from the 2006 Joint Stakeholder Paperwork Reduction Project.

Section 209(29), page 134, Department of Social and Health Services, Medical Assistance Program, Additional Lead Blood Level Assessments.

Section 212(10), page 138, Department of Social and Health Services, Administration and Supporting Services, Family Policy Council New Network in Skagit County.

Section 222(37), page 163, Department of Health, Newborn Home Visits in Kitsap County.

Section 222(46), page 165, Department of Health, Outbreak Disease Information Network.

Section 222(51), page 165, Department of Health, Additional Methicillin Resistant Staphylococcus Aureus Surveillance and Testing.

Section 302(27), page 187, Department of Ecology, Ground-water Data Gap Analysis.

Section 303(18), page 194, State Parks and Recreation, Grants to the Mount Tahoma Trails Association.

Section 501(2)(a)(vi), pages 234-235, Superintendent of Public Instruction--Statewide Programs, Additional funding for Nonviolence and Leadership Training Program.

Section 501(2)(c)(xv), page 239, Superintendent of Public Instruction--Statewide Programs, Grants and Allocations, New Spanish and Chinese Language Instruction Pilot Programs.

Section 507(6), page 264, Superintendent of Public Instruction--Educational Service Districts, SHB 2679 (educational outcomes for students in foster care).

Section 511(48), page 286, Superintendent of Public Instruction--Education Reform, New Peninsula School District Chinese Exchange Program.

Section 605(24), page 311, State Board for Community and Technical Colleges, Increased Online Library Resources.

Section 606(26), page 319, University of Washington, Undergraduate or Graduate Fellows in Overseas International Trade Offices.

Section 606(27), page 319, University of Washington, Additional Funding for State Climatologist.

Section 607(22), page 325, Washington State University, Additional funding for Renton Small Business Development Center.

Section 607(23), page 325, Washington State University, Urban Integrated Pest Management.

Section 611(9), page 338, Western Washington University, Expand Mentoring Program for Middle and High School Students.

For these reasons, I have vetoed Sections 103(14); 113(2); 114(2); 123(6); 123(12); 125(41); 125(62); 125(76); 125(78); 125(84); 127(11); 127(12); 147(5); 202(26); 202(27); 202(33); 202(34); 202(36); 203(9); 204(1)(u); 204(3)(b); 204(4)(b);

206(21); 209(29); 211, page 135, lines 30-35; 212(10); 216, page 143, lines 20-27; 218(19); 218(20); 222(37); 222(46); 222(51); 222(53); 224(1)(h); 224(1)(i); 302(27); 302(32); 302(33); 302(37); 302(39); 303(18); 307(31); 307(32); 307(44); 308(27); 311(5); 501(2)(a)(vi); 501(2)(a)(x); 501(2)(c)(xv); 501(2)(c)(xvi); 501(2)(c)(xviii); 507(4); 507(5); 507(6); 511(46); 511(48); 601(2); 605(14); 605(23); 605(24); 606(23); 606(24); 606(26); 606(27); 607(19); 607(22); 607(23); 608(7); 609(8); 610(13); 610(18); 611(9); 611(10); 612(8); 612(9); 613(9); and 906 of Engrossed Substitute House Bill 2687.

With the exception of Sections 103(14); 113(2); 114(2); 123(6); 123(12); 125(41); 125(62); 125(76); 125(78); 125(84); 127(11); 127(12); 147(5); 202(26); 202(27); 202(33); 202(34); 202(36); 203(9); 204(1)(u); 204(3)(b); 204(4)(b); 206(21); 209(29); 211, page 135, lines 30-35; 212(10); 216, page 143, lines 20-27; 218(19); 218(20); 222(37); 222(46); 222(51); 222(53); 224(1)(h); 224(1)(i); 302(27); 302(32); 302(33); 302(37); 302(39); 303(18); 307(31); 307(32); 307(44); 308(27); 311(5); 501(2)(a)(vi); 501(2)(a)(x); 501(2)(c)(xv); 501(2)(c)(xvi); 501(2)(c)(xviii); 507(4); 507(5); 507(6); 511(46); 511(48); 601(2); 605(14); 605(23); 605(24); 606(23); 606(24); 606(26); 606(27); 607(19); 607(22); 607(23); 608(7); 609(8); 610(13); 610(18); 611(9); 611(10); 612(8); 612(9); 613(9); and 906, Engrossed Substitute House Bill 2687 is approved.

Respectfully submitted,

Christine Gregoire

Christine Gregoire
Governor

HB 2699
C 199 L 08

Recodifying RCW 19.48.130 as a section in the minimum wage act.

By Representatives Moeller and Conway.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: Legislation enacted in 2007 requires businesses that provide food, beverage, entertainment, or portorage to disclose the percentage of automatic service charges that are paid directly to employees. The disclosure must be in itemized receipts and menus provided to the customers. The disclosure requirement is codified in a chapter relating to hotels, lodging houses, and restaurants.

The chapter relating to hotels, lodging houses, and restaurants does not include enforcement provisions or civil or criminal penalties.

The Washington Minimum Wage Act (Act) includes provisions authorizing the Director of the Department of Labor and Industries to conduct investigations necessary to determine whether the Act has been violated. An employer who violates the Act or who retaliates against an employee for filing a complaint of a violation is guilty of a gross misdemeanor.

HB 2700

Summary: The disclosure requirement relating to service charges in the hotels, lodging houses, and restaurants chapter is recodified in the Washington Minimum Wage Act.

Votes on Final Passage:

House 70 25
Senate 32 13

Effective: June 12, 2008

HB 2700

C 44 L 08

Creating the military department active state service account.

By Representatives O'Brien, Morrell, VanDeWege, Green, Hurst, Pearson, Sullivan, Williams, Hankins and Kelley; by request of Military Department.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The Washington Military Code governs the organization, administration, and duties of the Military Department and the state militia. The militia consists of both the National Guard and the State Guard. The National Guard is organized under the United States National Defense Act and serves both the Governor under state law and the President under federal law.

Summary: The Military Department Active State Service Account (Account) is created in the State Treasury. Funds may be deposited in the Account through state legislative appropriations, federal appropriations, or any other lawful source. Money in the Account may only be spent after it is appropriated.

Expenditures from the Account may be used to fund anticipated planning, training, exercises and other administrative duties not of an emergency nature.

Votes on Final Passage:

House 94 0
Senate 49 0

Effective: June 12, 2008

E2SHB 2712

C 276 L 08

Concerning criminal street gangs.

By House Committee on Appropriations (originally sponsored by Representatives Hurst, Ross, Dickerson, Newhouse, Conway, Morrell, Roach, Kelley and Ormsby).

House Committee on Public Safety & Emergency Preparedness

House Committee on Appropriations

Senate Committee on Judiciary

Senate Committee on Ways & Means

Background: Work Group on Gang-Related Crime. In 2007 legislation was enacted that required the Washington Association of Sheriffs and Police Chiefs (WASPC) to establish a work group to evaluate the problem of gang-related crime in Washington. The work group included members from both the House of Representatives and the Senate as well as representatives from the following groups: the Office of the Attorney General, local law enforcement, prosecutors and municipal attorneys, criminal defense attorneys, court administrators, prison administrators and probation officers, and experts in gang and delinquency prevention.

The work group was charged with evaluating and making recommendations regarding additional legislative measures to combat gang-related crime, the creation of a statewide gang information database, possible reforms to the juvenile justice system for gang-related juvenile offenses, best practices for prevention and intervention of youth gang membership, and the adoption of legislation authorizing civil anti-gang injunctions. The WASPC and the work group met monthly during the 2007 interim and on December 11, 2007, provided a report to the Legislature on its findings and recommendations regarding criminal gang activity.

Sentencing. A variety of statutory provisions exist with respect to criminal gang activity. For example, a person is guilty of Criminal Gang Intimidation if he or she threatens another person because that person refused to join a gang. Criminal Gang Intimidation is a seriousness level III, class C felony offense.

Aggravating Factors. The standard sentencing range is presumed to be appropriate for the typical felony case. However, the law provides that in exceptional cases, a court has the discretion to depart from the standard range and may impose an exceptional sentence below the standard range (with a mitigating circumstance) or above the range (with an aggravating circumstance). The Sentencing Reform Act (SRA) provides a list of factors that a court may consider in deciding whether to impose an exceptional sentence outside the standard range. Some of the aggravating factors provided by the SRA include: behavior that manifested deliberate cruelty to a victim; vulnerability of a victim;

sexual motivation on the part of the defendant; and an ongoing pattern of multiple incidents of abuse to a victim.

Community Custody. The term "community custody" refers to the period following release from total confinement in which an offender is supervised by the Department of Corrections (DOC). Community custody is that portion of an offender's sentence served in the community, subject to conditions imposed by the sentencing court and the DOC. An offender may be sanctioned administratively by the DOC for violating his or her conditions of release.

Certain crimes, including sex offenses not qualifying for determinate-plus sentencing, serious violent offenses, crimes against a person, and some drug offenses carry a mandatory term of community custody. Unless waived by the court, certain mandatory conditions are required to be included in the term of community custody. Special conditions, such as crime related prohibitions, may also be included. The DOC assesses an offender's risk of reoffense and may modify or impose conditions of community custody in addition to those imposed by the court, provided they do not contravene or decrease the court's order. For example, the DOC may require an offender to participate in rehabilitative programs or perform affirmative conduct according to the offender's risk of reoffense.

Malicious Mischief. A person is guilty of Malicious Mischief in the first degree if he or she knowingly and maliciously causes physical damage to the property of another in an amount exceeding \$1,500. Malicious Mischief in the first degree is a seriousness level II, class B felony offense. Malicious Mischief in the second degree occurs if the damage exceeds \$250. Malicious Mischief in the second degree is a seriousness level I, class C felony offense. Malicious Mischief in the third degree is a gross misdemeanor offense if the damage to the property exceeds \$50. It is a misdemeanor offense if the damage to the property is less than \$50. Generally, cases involving graffiti or tagging are charged as misdemeanor Malicious Mischief in the third degree offenses.

When a defendant is prosecuted in a criminal action for a misdemeanor offense, for which the person injured by the act constituting the offense has a remedy by a civil action, the offense may be compromised in certain specified instances. In these cases, if the party injured appears in court, at any time before the final judgment, and acknowledges in writing that he or she has received satisfaction for the injury, the court may order all proceedings to be discontinued and the defendant to be discharged.

Civil Penalties. Criminal and civil penalties may be imposed for certain offenses such as shoplifting and related thefts of property or services. The special civil penalties apply to shoplifting and theft of restaurant or lodging services. In addition to actual damages, which

include the value of services or property taken, certain penalties and costs may be recovered by a merchant from the person taking the goods or services. If the defendant is an adult or emancipated minor, those additional penalties and costs include:

- the retail value of the goods or services, to a maximum of \$1,000;
- a penalty of at least \$100 but not more than \$200; and
- reasonable attorneys' fees and court costs.

Vicarious liability is also imposed on the parent of an unemancipated minor who steals such goods or services. However, in the case of parental liability, the additional "retail value" penalty maximum of \$1,000 is reduced to \$500.

Claims, as well as judgments, may be assigned by a merchant who has suffered the theft of goods or services. Pursuit of these civil remedies by a merchant is independent of whether criminal charges are filed or prosecuted.

If a merchant gets a civil judgment under these provisions, that judgment may be assigned to another party for collection. Collection of the judgment debt may be accomplished through a debt collection agency. However, a claim that has not been reduced to a judgment cannot be assigned.

Database. The Washington State Patrol uses an internal information-sharing database to aid law enforcement and criminal justice entities in identifying, disrupting, and preventing terrorist and criminal activities. The database assists local law enforcement agencies in coordinating efforts against criminal networks that operate in many locations across jurisdictional lines. Typical activities found in the database center around drug trafficking, terrorism, violent crime, cybercrime, and organized criminal activities occurring in the state.

Summary: Sentencing.

The crime of Involving a Juvenile in a Felony Offense is created. It occurs when an adult gang member, convicted of a felony, has compensated, threatened, or solicited a minor in order to involve that minor in the commission of the underlying felony offense. A prosecutor may file a special allegation that the felony committed involved the compensation, threatening, or solicitation of a juvenile in the commission of the felony offense. The penalty for the underlying offense is calculated by multiplying the standard sentencing range for the completed offense by 125 percent. If the new calculated standard sentence range exceeds the statutory maximum sentence for the offense, the statutory maximum sentence is the presumptive sentence unless the offender is a persistent offender.

Aggravating Factors. The list of aggravating factors in the Sentencing Reform Act is expanded to include any crime that is intentionally committed directly or indirectly for the benefit, aggrandizement, gain, profit,

advantage, reputation, membership, or influence of a gang.

Community Custody. In the instance of a gang member convicted of an offense involving the unlawful possession of a firearm, the court must sentence the offender to a term of community custody.

Malicious Mischief. A new crime called "Criminal Street Gang Tagging and Graffiti" is created. A person is guilty of Criminal Street Gang Tagging and Graffiti if he or she commits Malicious Mischief in the third degree and he or she has multiple current or prior convictions for Malicious Mischief in the third degree offenses.

When a defendant is prosecuted in a criminal action for a misdemeanor offense, other than a violation of a Criminal Street Gang Tagging and Graffiti offense, for which the person injured by the act constituting the offense has a remedy by a civil action, the offense may be compromised.

Civil Penalties. The same special civil penalties imposed for shoplifting and related thefts of property or services are created for offenses involving Criminal Street Gang Tagging and Graffiti. In addition to actual damages to the property, penalties and costs may be recovered by the property owner from the person causing the physical damage to the property. If the defendant is an adult or emancipated minor, those additional penalties and costs include: the value of the damaged property, to a maximum of \$1,000; a penalty of at least \$100, but not more than \$200; and reasonable attorneys' fees and court costs.

Definitions. The following terms are defined:

"Criminal street gang" is defined as any ongoing organization, association, or group of three or more persons, whether formal or informal, having a common name or common identifying sign or symbol, having as one of its primary activities the commission of criminal acts, and whose members or associates individually or collectively engage in or have engaged in a pattern of criminal street gang activity.

"Criminal street gang associate or member" is defined as any person who actively participates in any criminal street gang and who intentionally promotes, furthers, or assists in any criminal act by a criminal street gang.

"Criminal street gang-related offense" is defined as the conviction of any felony or misdemeanor offense, whether in Washington or elsewhere, that is committed with intent for one or more of the following reasons:

- for the benefit of or at the direction of any criminal street gang, with the intent to gain admission or promotion within the gang or with the intent to promote, further, or assist in any criminal act by the gang;
- to increase or maintain the gang's size, membership, prestige, dominance, or control in any geographical area;

- to exact revenge or retribution for the gang or any member of the gang;
- to obstruct justice, or intimidate or eliminate any witness against the gang or any member of the gang;
- to directly or indirectly cause any benefit, aggrandizement, gain, profit, or other advantage for the gang, its reputation, influence, or membership; or
- to provide the gang with any advantage in, or any control or dominance over any criminal market sector, including, but not limited to, manufacturing, delivering, or selling any controlled substance; arson; trafficking in stolen property; promoting prostitution; human trafficking; or promoting pornography.

"Pattern of criminal street gang activity" is:

- any attempt, commission, or conspiracy to commit two or more of the following criminal street gang-related offenses: a serious violent felony offense (excluding Homicide by Abuse and Assault of a Child I), a violent offense (excluding Assault of a Child II), delivering or possessing with intent to deliver a controlled substance, any violation of the Firearms and Dangerous Weapon Act, Theft of a Firearm, Possession of a Stolen Firearm, Malicious Harassment, Harassment where a subsequent violation or deadly threat is made, Criminal Gang Intimidation, Involving a Juvenile in a Criminal Offense, Residential Burglary, Burglary II, Malicious Mischief I and II, Theft of a Motor Vehicle, Possession of a Stolen Motor Vehicle, Taking a Motor Vehicle Without Permission I and II, Extortion I and II, Intimidating a Witness, Tampering with a Witness, Reckless Endangerment, Coercion, Harassment, or Malicious Mischief III;
- where the conviction for at least one of the offenses listed above must have occurred after July 1, 2008;
- the offender's current conviction for the most recent committed offense must have occurred within three years of his or her prior offense; and
- of any of the offenses that were committed, the offenses must have occurred on separate occasions or by two or more persons.

The definitions of "criminal street gang," "criminal street gang associate or member," "criminal street gang-related offense," and "pattern of criminal street gang activity" preempts any conflicting city or county codes ordinances. Cities, towns, counties, or other municipalities may only enact laws and ordinances relating to criminal street gangs that contain definitions that are consistent with definitions in state law.

Database. The WASPC must work with the WSP to expand the use of an existing statewide database accessible by law enforcement agencies to include criminal street gang data.

The database must provide an Internet-based multi-agency, multi-location, information sharing application.

Information in the gang database must be available to all local, state, and federal general authority law enforcement agencies, the DOC, and the Juvenile Rehabilitation Administration, solely for gang enforcement and for tracking gangs, gang members, and gang incidents. Information in the database is not available for public use and is prohibited from being used in any criminal or civil proceeding.

Information about specific individuals in the database must be automatically expunged every five years if: (1) no new or updated information has been entered into the database within the previous five years; (2) there are no pending criminal charges against such person in any court; (3) the person has not been convicted of a new crime; and (4) it has been five years since the person completed his or her term of confinement. Information entered into the database may only include data on gang members that are 12 years or older.

Each law enforcement and criminal justice agency using the database is required to ensure that all users of the database receive training on the use of the database before granting the users access to the database.

Grants. *The Washington Association of Sheriffs and Police Chiefs' Gang Grant Program.* The WASPC must establish a gang grant program available to local law enforcement agencies with the goal of targeting gang crime. Grant applicants are encouraged to utilize multi-jurisdictional efforts and each applicant must show, within its jurisdiction, that:

- a significant gang problem exists;
- grants awarded would be sufficient to cover investigation, prosecution, and jail costs;
- an enforcement program has been designed that best addresses the specific gang problem in the jurisdiction;
- data will be collected to evaluate the performance of the program;
- the enforcement program being proposed in the application would specifically suit its gang problem; and
- there is community coordination focusing on prevention, intervention, and suppression of gang activity.

Grant applications must be reviewed and awarded through peer review panels. No more than the greater of 4 percent or \$60,000 of the appropriated funding may be used for administering the grants.

Graffiti and Tagging Abatement Grant. The WASPC must establish a gang grant program to assist local law enforcement agencies in funding local graffiti and tagging abatement programs. Grant applicants are encouraged to utilize multi-jurisdictional efforts and each applicant must:

- demonstrate that a significant gang problem exists within the community;
- show how the funds awarded will be used to dispose or eliminate any current or ongoing tagging or graffiti in the community;
- show how the funds will reduce future graffiti and tagging within the community;
- show how data will be collected to evaluate the performance of the program; and
- show how the local citizens and business owners will benefit from the proposed graffiti or tagging abatement process being presented in the application.

The cost of administrating the program must not exceed the greater of 4 percent or \$25,000 of the appropriated funding.

Witness Relocation Program. The Department of Community, Trade and Economic Development (DCTED) must, subject to available funds, establish a temporary witness assistance grant program for witnesses of felony gang-related offenses. The DCTED must work with each local prosecuting attorney to determine how funding is to be provided to reimburse county prosecutors for providing assistance to witnesses. The DCTED must distribute agency pre-approved witness assistance grant funds to county prosecuting attorneys on a quarterly basis. Grants are limited to \$5,000 per witness or for up to a three month period.

The DOC's Study to Reduce Gang Involvement. The DOC is required to study the best practices to reduce gang involvement and recruitment among its incarcerated offenders. The study and recommendations must include intervention and successful re-entry programs for gang members seeking to opt-out of gangs. Such programs may include, but are not limited to, tattoo removal, anger management, and obtaining a GED. The DOC must provide a report on its findings to the Legislature by January 1, 2009.

Votes on Final Passage:

House	94	1	
Senate	46	3	(Senate amended)
House	92	2	(House concurred)

Effective: June 12, 2008

2SHB 2713

C 97 L 08

Providing for broader collection of biological samples for the DNA identification of convicted sex offenders and other persons.

By House Committee on Appropriations (originally sponsored by Representatives Seaquist, Hurst, Lantz, Pearson, Conway, Morrell, Miloscia, Priest, Kenney, Schual-Berke, Haler, McDonald, Loomis, Smith, Bailey, Kristiansen, Hudgins, McCune, Simpson, VanDeWege, Ericks, Kelley, Ormsby and Rolfes; by request of Governor Gregoire).

House Committee on Public Safety & Emergency Preparedness

House Committee on Appropriations

Senate Committee on Human Services & Corrections

Background: The Washington State Patrol (WSP) operates and maintains a deoxyribonucleic acid (DNA) identification system. The purpose of the system is to help with criminal investigations and to identify human remains or missing persons. County and city jails are responsible for collecting biological samples for DNA analysis from offenders incarcerated in their facilities. The Department of Corrections and the Department of Social and Health Services are responsible for collecting biological samples for DNA analysis from offenders incarcerated in their facilities. Local police and sheriff's departments are responsible for collecting biological samples for DNA analysis from offenders who do not serve any term of incarceration.

I. Offenders from Whom a Biological Sample Must be Collected. Biological samples must be collected from persons convicted of any felony and the following gross misdemeanors: Stalking, Harassment, and Communicating with a Minor for Immoral Purposes.

II. Testing Biological Samples. The Director of the Forensic Laboratory Services Bureau of the WSP (Director) is required to test the biological samples for inclusion in the DNA database. The Director must give priority to testing samples from persons convicted of sex and violent offenses.

III. Funding. A sentencing court must charge every offender convicted of any felony committed on or after July 1, 2002, a fee of \$100 for collection of a DNA sample unless it would result in an undue hardship on the offender. The fee must be deposited in the DNA Database Account, expenditures from which may only be used for the creation, operation, and maintenance of the DNA database.

IV. Other DNA-Related Services Provided by the WSP. The WSP, in consultation with the University of Washington School of Medicine, may provide DNA analysis services to law enforcement agencies, provide assistance to law enforcement officials and prosecutors in the preparation and utilization of DNA evidence for

presentation in court, and provide expert testimony in court on DNA evidentiary issues.

Summary: I. Offenders from Whom a Biological Sample Must be Collected. Sex and kidnapping offenders required to register on or after the effective date of the legislation must have a biological sample collected for inclusion in the DNA identification system. In addition, the following misdemeanors and gross misdemeanors are added to the list of crimes for which a biological sample must be collected pursuant to conviction:

- Assault in the fourth degree with sexual motivation;
- Custodial Sexual Misconduct in the second degree;
- Failure to Register;
- Patronizing a Prostitute;
- Sexual Misconduct with a Minor in the second degree; and
- Violation of sexual assault protection orders.

If a DNA sample already exists from the offender in question, another biological sample does not have to be collected.

II. Testing Biological Samples. The Forensic Laboratory Services Bureau of the WSP itself, rather than its Director, is responsible for testing biological samples for inclusion in the DNA database. Duplicate biological samples may be excluded from testing unless the testing is deemed necessary or advisable by the Director.

III. Funding. A court must levy the \$100 fee upon a conviction for any crime included in the database regardless of when it was committed. The fee must be imposed regardless of whether it would be a hardship to the offender. Eighty percent of the fee must be transmitted to the DNA Database Account while 20 percent must be transmitted to the agency responsible for collecting the biological sample.

IV. Other DNA-Related Services Provided by the WSP. The requirement that the WSP consult with the University of Washington School of Medicine when providing various DNA-related services is eliminated.

Votes on Final Passage:

House	80	15	
Senate	48	0	(Senate amended)
House	94	1	(House concurred)

Effective: June 12, 2008

2SHB 2714

C 230 L 08

Making failure to register as a sex offender a class B felony.

By House Committee on Appropriations (originally sponsored by Representatives Loomis, Hurst, Lantz, Upthegrove, Conway, Simpson, VanDeWege and Kelley).

House Committee on Public Safety & Emergency Preparedness

House Committee on Appropriations

Senate Committee on Human Services & Corrections

Background: Failure to Register as a Sex Offender.

Under the Community Protection Act of 1990, a sex offender must register with the county sheriff of the county in which he or she resides. An offender must provide certain information upon registration including name, complete residential address, date and place of birth, place of employment, crime of conviction, date and place of conviction, aliases, Social Security number, photograph, and fingerprints.

Registered sex offenders are subject to a variety of requirements after registration. For example, an offender must notify the county sheriff if he or she moves or changes any of the information in the registry. Also, homeless offenders must check in with the county sheriff once a week. Level II and level III sex offenders must check in with the county sheriff every 90 days.

A sex offender who knowingly violates the requirements of the registration statute is guilty of a class C felony if the offense that caused the duty to register was a felony. The offense is "unranked" on the first offense, which means the offender would be subject to a term of confinement within the standard range of zero to 12 months. A first-time offender is also subject to a mandatory term of community custody (supervision in the community) of 36-48 months. For second and subsequent offenses, the offense is ranked at seriousness level II, which means the offender, assuming he or she has no other prior offenses, would be subject to a term of confinement of 12-14 months. The offender would also be subject to a mandatory term of community custody of 36-48 months.

A sex offender who knowingly violates the requirements of the registration statute is guilty of a gross misdemeanor if the offense that caused the duty to register was not a felony.

Classes of Felonies. In Washington, felonies are divided into three classes: A, B, and C. The class of felony determines the statutory maximum for the offense; the term of confinement plus any term of community custody may not exceed this maximum. In addition, the class of felony determines the maximum amount an offender may be fined. The maximums for the different classes of felonies are as follows:

- class A felonies: Life in prison and \$50,000.
- class B felonies: 10 years in prison and \$20,000.
- class C felonies: Five years in prison and \$10,000.

Juvenile Sentencing. In general, the sentence for a juvenile offender is determined by the offender's criminal history and the "offense category" for the offense. The offense category for many felonies is determined in statute. For felonies that do not have a specific offense category assigned to them, the offense category is determined based on the class of the felony. Failure to Register as a Sex Offender, since it does not have a specific offense category assigned to it, has an offense category of C (D for attempts, bailjumps, conspiracies, or solicitations).

Summary: Failure to Register as a Sex Offender. The penalty for felony-level Failure to Register as a Sex Offender is increased from a class C felony to a class B felony.

The Sex Offender Policy Board must review and make recommendations regarding sex and kidnapping offender registration and public notification. The review and recommendations must, at a minimum, include:

- the appropriate class of felony and sentencing designations for a conviction of Failure to Register;
- the appropriate groups and classes of adult and juvenile offenders who should be required to register;
- the duration and termination process for sex and kidnapping offender registration and public notification; and
- simplification of statutory language to allow the Department of Corrections, law enforcement, and offenders to more easily identify registration and notification requirements.

In formulating its recommendations, the Sex Offender Policy Board must review the experience in other jurisdictions and any available evidence-based research to ensure that its recommendations have the maximum impact on public safety. The Sex Offender Policy Board must report to the Governor and the Legislature no later than November 1, 2009.

Juvenile Sentencing. For purposes of juvenile sentencing, the offense category for Failure to Register as a Sex Offender is retained at its current level, which is offense category C (offense category D for attempts, bailjumps, conspiracies, or solicitations).

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

June 9, 2010 (Sections 1-3)

HB 2719

C 231 L 08

Ensuring that offenders receive accurate sentences.

By Representatives Priest, Hurst, Loomis and VanDeWege.

House Committee on Public Safety & Emergency Preparedness

Senate Committee on Judiciary

Background: Determining Criminal History. Under the Sentencing Reform Act (SRA), the prosecutor has the burden of proving an offender's criminal history to the court by a preponderance of the evidence. An offender's criminal history is used for a variety of purposes, including calculating the offender's standard sentence range and determining whether the offender is a persistent offender under the "three strikes" and "two strikes" laws.

Because of the significance of an offender's criminal history for purposes of sentencing, there are many cases determining how and when an offender may appeal the calculation of his or her criminal history. For example, in *State v. Ford*, 137 Wn.2d 472 (1999), the Washington Supreme Court ruled that a defendant's failure to object to offenses included in his criminal history at sentencing did not waive the defendant's ability to raise the issue on appeal. The Washington Supreme Court indicated that the defendant is not obliged to disprove the state's position until the state has met its primary burden of proof.

In *State v. Lopez*, 147 Wn.2d 515 (2002), the Washington Supreme Court ruled that the prosecution may not, in a resentencing hearing, introduce evidence to prove the existence of prior convictions when the defendant objected to the existence of the prior convictions at trial and the issue was argued at sentencing. Similarly, in *In re the Personal Restraint of Cadwallader*, 155 Wn.2d 867 (2005), the Washington Supreme Court ruled that the prosecution may not, on collateral review, introduce evidence to prove the existence of prior convictions that were not alleged at the original sentencing. The court also ruled that the defendant's acknowledgment of his criminal history at sentencing did not waive his ability to raise the issue on appeal.

Supervision of Offenders in the Community. Felony offenders may be subject to supervision in the community under a variety of circumstances. Over time, the methods and terminology associated with this supervision has changed. For example, prior to 2000, a felony offender could be sentenced to a term of "community placement," which consisted of both "community custody" and "post-release supervision." If the offender violated the terms of his or her community placement, he or she would be sanctioned by either the Department of Corrections (DOC) or the sentencing court, depending on whether the offender was on community custody (DOC) or post-release supervision (sentencing court) at the time of the violation.

In 1999 the Legislature passed E2SSB 5421, otherwise known as the "Offender Accountability Act" (OAA). The OAA changed all supervision in the community to community custody for offenders who committed their offenses on or after July 1, 2000. Not only did the OAA change the terminology for all supervision in the community to community custody, it also gave the DOC the exclusive authority to sanction all violations. The old community placement regime, however, stayed in place for offenders convicted of offenses committed prior to July 1, 2000.

In 2007 the Legislature passed ESSB 6157, which created the Legislative Task Force (Task Force) on Community Custody and Community Supervision. The Task Force was required, among other things, to recommend changes to the community custody and supervision laws that would allow the DOC and its community corrections officers to more easily identify requirements relating to an offender's term of community custody or supervision. As a byproduct of the Task Force's processes, the Sentencing Guidelines Commission (SGC) convened a work group to develop legislation that would simplify and reorganize the community custody and supervision statutes.

Summary: Determining Criminal History. In a sentencing hearing, a criminal history summary relating to the defendant from the prosecuting attorney or from a state, federal, or foreign governmental agency is *prima facie* evidence of the existence and validity of the convictions listed therein. A defendant's failure to object to criminal history presented at sentencing is deemed acknowledgment of the information therein.

When an offender is resentenced, both parties may present, and the court may consider, all relevant evidence regarding criminal history. This includes prior convictions that were not originally included in the offender's criminal history or offender score.

Supervision of Offenders in the Community. The statutes relating to the supervision of offenders in the community are reorganized. All supervision in the community is called "community custody." Provisions relating to the conditions of an offender's supervision are consolidated into one section. Provisions relating to older forms of supervision are moved to a new chapter in Title 9 RCW.

The OAA is made to apply retroactively to offenders who committed their offenses prior to July 1, 2000, to the extent that it is constitutionally permissible. The sentencing court must specify which conditions are constitutionally impermissible when it sentences an offender. The SGC is required to develop a list of conditions that are constitutionally impermissible to apply retroactively.

The Code Reviser is required to report to the 2009 Legislature on any amendments necessary to accomplish the purposes of the act.

Votes on Final Passage:

House	96	1	
Senate	49	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

August 1, 2009 (Sections 6-60)

2SHB 2722

C 298 L 08

Creating an advisory committee to address the achievement gap for African-American students.

By House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Kenney, Morris, Sullivan, Hasegawa, Uptegrove, Loomis, Pedersen, Darneille, Conway, Hudgins, Quall, Ericks, Kagi and Ormsby).

House Committee on Education

House Committee on Appropriations

Senate Committee on Early Learning & K-12 Education

Senate Committee on Ways & Means

Background: Results for the 2007 high school Washington Assessment of Student Learning (WASL) show that 80.8 percent of 10th grade students met standard in reading, 83.9 percent met standard in writing, and 50.4 percent met standard in mathematics. However, there are disproportionate levels of achievement among groups of students. The gap in WASL scores between non-Asian minority students and white students in reading is approximately 20 percentage points. The gap in mathematics is between 20 and 30 percentage points. African-American high school students are lagging behind other student groups in both reading and mathematics WASL scores. Approximately 25 percent of African-American students drop out of school between 9th and 12th grade, compared to 17 percent of white students.

In 2006 the Black Education Strategy Roundtable (Roundtable), an informal advisory group convened by the Washington Commission on African American Affairs, held community forums and developed a set of recommendations for education policy makers which included:

- (1) a statewide strategic plan to close the racial opportunity and achievement gap;
- (2) a public-private partnership to fund and operate local family engagement and empowerment activities and capacity building institutes for families;
- (3) a public-private partnership for additional community-based supplemental education for Black youth; and

- (4) a funding and policy package to increase school funding and fundamentally redesign the school day, curriculum, and instructional practices to meet the needs and learning styles of students not meeting state standards.

The mission of the Center for the Improvement of Student Learning (CISL) is to serve as a clearinghouse for information, promising practices, and research that promotes and supports effective learning environments for all students, especially those in underserved communities. Another aspect of the CISL's mandate is to promote and facilitate family, school, and community partnerships around the state. The CISL is housed within the Office of the Superintendent of Public Instruction.

Summary: The CISL must convene an advisory committee to craft a strategic plan to address the achievement gap for African-American students. The advisory committee is comprised of 15 members, including educators, parents, and representatives of community-based organizations, the Washington Commission on African-American Affairs, and the Office of the Education Ombudsman. Five members each are appointed by the Speaker of the House and the President of the Senate, and the remaining members are appointed by the Superintendent of Public Instruction (SPI).

The duties of the advisory committee are to conduct a detailed analysis of the achievement gap for African-American students; examine the extent that current initiatives address the needs of African-American students; identify best practices and promising programs; develop a comprehensive plan with specific strategies, interventions, and funding to improve educational outcomes for African-American students; and develop performance improvement measures and benchmarks to monitor progress.

The Washington State Institute for Public Policy must assist the advisory committee in examining detailed data on achievement indicators and trends.

A final report is due December 1, 2008, to the SPI, the Governor, the State Board of Education, the P-20 Council, and the education committees of the Legislature.

Beginning in January 2010, the CISL reports annually on the implementation of strategies to address the achievement gap for African-American students and on the progress of improvement of education performance measures for African-American students.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

SHB 2727

C 62 L 08

Extending personality rights to deceased persons.

By House Committee on Judiciary (originally sponsored by Representatives Lantz, Pedersen, Rodne, Goodman, Williams and Green).

House Committee on Judiciary
Senate Committee on Judiciary

Background: In 1998 the Legislature enacted the Personality Rights Act establishing that every person has a property right in the use of his or her name, voice, signature, photograph, or likeness. The property right is exclusive to the person during his or her lifetime, and may be assigned or licensed while the person is alive. The property right does not expire when the person dies. It may descend in a will or other testamentary transfer or, if none is available, by the laws of intestate succession. The right exists whether or not it was commercially exploited during the person's lifetime.

The duration of the property right depends upon whether the person's name, voice, signature, photograph, or likeness has commercial value. If it has commercial value, he or she is considered a "personality," and the property right exists for 75 years after death. Deceased personalities include all such persons who have died since 1948. For deceased individuals not considered personalities, the property right continues for 10 years after the individual dies.

Any person who uses the name, voice, signature, photograph, or likeness of a personality or an individual without prior consent infringes on this property right and is liable in an action for damages for the greater of \$1,500 or actual damages, plus any profits attributable to the infringement.

There are several uses of a person's name, voice, signature, photograph, or likeness excepted from the general prohibition. For example, it is not an infringement if the use is:

- in connection with matters of cultural, historical, political, religious, educational, newsworthy, or public interest;
- for purposes of commentary, criticism, satire, or parody;
- in single original works of fine art that are not published in more than five copies;
- in literary, theatrical, or musical works, and any advertisements for those works;
- in a film, radio, television, or online program, or magazine articles; or
- an insignificant or incidental use.

Summary: Personality rights exist for all individuals or personalities deceased before, on, or after June 11, 1998.

When Applicable. The act applies to all causes of action commenced on or after June 11, 1998, regardless

of when the cause of action arose. It applies to all individuals and personalities, living and deceased, regardless of place of domicile or place of domicile at time of death.

Determination of Rights. Personality rights are deemed to have existed before June 11, 1998, for purposes of determining who is entitled to the rights recognized under the Personality Rights Act.

Transferability of Rights. An individual or personality, or any subsequent owner of that individual or personality's personality rights, may freely transfer his or her interest through any valid and permissible inter vivos or testamentary instrument, regardless of when the transferring instrument was entered or executed.

Personality rights do not expire and are owned and enforceable by those designated in a testamentary instrument or by intestate succession upon the death of the person, regardless of whether the law of the deceased person's domicile, residence, or citizenship recognizes a comparable property right.

A "deceased individual" is any individual, regardless of the individual's place of domicile, residence, or citizenship at the time of death, who has died since 1988.

The definition of "deceased personality" is modified to include the phrase, "regardless of the personality's place of domicile, residence, or citizenship at the time of death or otherwise."

Votes on Final Passage:

House	94	0
Senate	46	0

Effective: June 12, 2008

SHB 2729

C 200 L 08

Addressing the reading and handling of certain identification documents.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Eddy, Pedersen, Appleton, Lantz, Williams, Upthegrove, Santos, Simpson, Hasegawa, Ericks, Ormsby and Springer).

House Committee on Technology, Energy & Communications

Senate Committee on Transportation

Background: Western Hemisphere Travel Initiative. In April 2005 the departments of State and Homeland Security announced the Western Hemisphere Travel Initiative (Initiative), which requires individuals entering or re-entering the United States to present a passport or other federally approved identification or proof-of-citizenship document.

The identification requirements of the Initiative for persons entering or re-entering the United States by land or sea became effective on January 31, 2008.

Washington's Enhanced Driver's License. In 2007 legislation was enacted that authorized the Department of Licensing (DOL) to issue a voluntary enhanced driver's license or identicard (EDL/ID) to all applicants who, in addition to meeting all other driver's license or identicard requirements, provide the DOL with proof of U.S. citizenship, identity, and state residency.

The EDL/ID uses Radio Frequency Identification (RFID) technology, a wireless technology that stores and retrieves data remotely. A RFID chip is embedded in each EDL/ID and contains a unique reference number. At the border crossing station, a RFID reader uses electromagnetic waves to energize the tag and collect this reference number. The reader converts the radio waves reflected back from the RFID tag into digital information and transmits it to the Customs and Border Protection network, which is an encrypted, secure network. The reference number is compared to the Customs and Border Protection's records to verify that an individual's identity matches the information printed on the front of his or her EDL/ID card.

The Department of Homeland Security has designated the EDL/ID as acceptable documents for the purpose of entering or re-entering the United States.

Public Records. Each state and local agency is required under the Public Records Act to make all public records available for public inspection and copying unless the record is exempted from disclosure.

Collection of Personal Information from an Identification Document. There are no state laws that prohibit or restrict a non-governmental entity from using or distributing personal information gained through an EDL/ID or other identification card or document.

Summary: Enhanced Driver's License. A person is guilty of a class C felony if the person uses radio waves to intentionally possess, read, or capture remotely, information on another person's enhanced driver's license without that person's express knowledge and consent.

Exceptions are included for capturing the information on another person's enhanced driver's license: (1) to facilitate border crossing; (2) to conduct security-related research; and (3) for inadvertent scanning (provided that the information is promptly disclosed, and neither disclosed to any other party, nor used for any purpose).

The unlawful capture or possession of information on a person's enhanced driver's license is deemed a violation of the Consumer Protection Act.

Public Records Disclosure Exemptions. A public records exemption from disclosure is created for documents and related materials, including scanned images, used to establish identity, age, a residential address, a Social Security number, or other personal information

required in connection with an application for a driver's license or identicard.

A public records exemption from disclosure is also created for personally identifying information collected through a driver's license or identicard containing radio frequency identification or similar technology used to facilitate border crossing.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

HB 2730
C 45 L 08

Addressing the provision of ferry service by port districts.

By Representatives Rolfes, Appleton and Hudgins.

House Committee on Transportation
Senate Committee on Transportation

Background: In 2006 the Washington State Department of Transportation was directed to establish a ferry grant program to provide operating or capital grants for passenger-only ferries (POF) operated by counties, county ferry districts, and public transportation benefit districts. At the same time, the Washington State Ferries (WSF) were required to collaborate with counties, county ferry districts, and public transportation benefit districts offering POF service for terminal operations at the WSF's existing terminals.

Port districts may acquire, lease, construct, purchase, maintain, and operate passenger-carrying vessels on interstate navigable rivers of Washington and intrastate waters of adjoining states.

Summary: The area in which port districts may offer ferry service is expanded to include the Puget Sound.

The types of entities eligible to receive grants for operating and capital expenditures from the ferry grant program are expanded to include POF systems operated by port districts.

Port districts are added to the list of POF service providers with which the WSF system must collaborate for terminal operations.

Votes on Final Passage:

House	96	0
Senate	41	6

Effective: June 12, 2008

SHB 2746

C 126 L 08

Concerning the purchasing of fuel by certain state and local agencies.

By House Committee on Transportation (originally sponsored by Representatives Jarrett, Morris and McIntire).

House Committee on Transportation
Senate Committee on Transportation

Background: Metropolitan Municipal Corporations. Metropolitan municipal corporations (Metros) are special purpose districts authorized to provide public transportation services as well as other essential public services, including water supply, sewage treatment, and garbage disposal. Metros may be formed in any area of the state containing two or more cities, one of which must have a population of at least 10,000. In addition, any county with a population of 210,000 or more in which a Metro has been established may, by ordinance or resolution, assume the rights, powers, and obligations of the existing Metro. The only established Metro is King County Metro Transit (King County Metro).

King County Metro provides three services that use large amounts of fuel: bus, paratransit, and vanpool. King County Metro typically purchases diesel and gasoline at market price on a daily basis. Metros do not have specific authority to buy into the futures market. In King County Metro's biennial budget process, fuel quantities are estimated based on the miles of operation and efficiency of the fleets in each of its services, and service levels are projected several years into the future. On average, King County Metro purchases 11 million gallons of fuel per year. The cost per gallon is based primarily on estimates using the futures market for diesel and gasoline, and is adjusted based on multiple factors, including variance in the local market and delivery and other local costs.

Washington State Ferries. The Washington State Department of Transportation (Department) operates the Washington State Ferries. The Department estimates its fuel use on a biennial basis. In general, the Office of State Procurement purchases fuel on behalf of the Department for use in operating the state's ferry system. Neither the Office of State Procurement nor the Department are specifically authorized to implement fuel hedging strategies.

Strategies to Reduce Fuel Costs. In 2005 the Legislature directed the Department of General Administration, through the Office of State Procurement, to explore and implement strategies designed to reduce the overall cost of fuel and to mitigate the impact of market fluctuations and pressure on both short-term and long-term fuel costs. The Office of State Procurement was also directed to submit an annual report to the fiscal committees of the Legislature, including an update on its efforts to

implement such strategies as well as recommendations for improving or continuing the fuel cost mitigation program. In its 2007 report, the Office of State Procurement made several recommendations, including the recommendations that the Governor and Legislature establish a long-term hedging program and that the state and King County Metro conduct a fuel hedging pilot project for biodiesel.

"Fuel hedging" is the practice of eliminating the range of probable energy costs over a future time period by locking in the price today for future needs. Hedging assumes the risk that the market price may drop below the locked-in price, but provides the benefit of budget certainty. There are costs and fees associated with implementing a fuel hedging program, and agencies that are high-volume purchasers of fuel are more likely to benefit from a hedging program than agencies that are not high-volume purchasers.

Summary: Metropolitan municipal corporations (Metros) and counties that have assumed the rights and responsibilities of a Metro are authorized to explore and implement fuel hedging strategies. The Washington State Department of Transportation (Department), in performing its function of operating the state's ferry system and after consultation with the Office of State Procurement, is also authorized to implement fuel hedging strategies. The Department's use of fuel hedging strategies is contingent on an appropriation of funds for that specific purpose.

Metros, counties that have assumed the rights and responsibilities of a Metro, and the Department must submit periodic reports on any implemented fuel hedging strategies to the transportation committees of the Legislature. The Department must also submit periodic reports of any implemented fuel hedging strategies to the Office of State Procurement.

The state is not liable for any financial losses incurred by Metros, or by counties that have assumed the rights and responsibilities of a Metro, that choose to implement fuel hedging strategies.

Votes on Final Passage:

House	94	0	
Senate	45	3	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

HB 2762

C 63 L 08

Increasing the number of district court judges in Cowlitz county.

By Representatives Takko, Blake, Orcutt and Herrera; by request of Board For Judicial Administration.

House Committee on Judiciary
Senate Committee on Judiciary

Background: The number of district court judges in each county is set by statute. Any change in the number of full- and part-time judicial positions in a county's district court is determined by the Legislature after receiving a recommendation from the Washington Supreme Court.

The Washington Supreme Court's recommendation is based on an objective workload analysis developed annually by the Administrative Office of the Courts (AOC), which takes into account available judicial resources and the caseload activity of the court. The AOC may consult with the Board of Judicial Administration and the District and Municipal Court Judge's Association to develop procedures and methods to apply the objective workload analysis.

Changes in the number of district court judges may not be made in a year in which judicial elections for district court are held.

The AOC completes a judicial impact note, which identifies any cost to the state or local government, for each recommendation to vary the number of district court judges in a county. In order for an additional judicial position to become effective, the legislative authority of the affected county must approve the position and agree to pay, out of county funds and without reimbursement from the state, expenses associated with the new position.

Cowlitz County has two elected district court judges. An increase to at least three district court judicial positions is justified according to the AOC's objective workload analysis.

Summary: The number of statutorily authorized district court judges is increased in Cowlitz County from two to three.

Votes on Final Passage:

House	95	1
Senate	45	0

Effective: June 12, 2008

ESHB 2765

PARTIAL VETO

C 328 L 08

Making 2008 supplemental capital appropriations.

By House Committee on Capital Budget (originally sponsored by Representative Fromhold; by request of Office of Financial Management).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Washington operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the capital budget for a two-year period, and authorizes bond sales through passage of a bond bill associated with the capital budget to fund a portion of these expenditures. The current capital budget covers the period from July 1, 2007, through June 30, 2009.

Summary: Supplemental appropriations are made for the 2007-09 biennium of \$115.6 million, including all appropriation increases and decreases. Of that amount, \$32.2 million is from state general obligation bonds. (See budget highlights.)

Votes on Final Passage:

House	92	3	
Senate	47	0	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	49	0
House	95	2

Effective: April 1, 2008

Partial Veto Summary: The Governor vetoed several sections that impact capital appropriations including one of two appropriations for the same project, minor works reductions in the Department of General Administration, and funding for a Thurston County childcare needs assessment. Two additional vetoes impact capital budget language only, including a study of hazards from personal high-speed watercraft and a moratorium on the construction of new off-road vehicle facilities that weren't already budgeted and permitted until the end of the 2007-09 biennium.

VETO MESSAGE ON ESHB 2765

April 1, 2008

*To the Honorable Speaker and Members,
The House of Representatives of the State of Washington*

Ladies and Gentlemen:

I am returning, without my approval as to Sections 1019, line 22; 1027; 1030; 1032; 1037; 3028 (5); and 3040, Engrossed Substitute House Bill 2765 entitled:

“AN ACT Relating to the capital budget.”

Section 1019, page 27, line 22, Department of Community Trade and Economic Development, Burley Mountain Lodge

This item is one of two appropriations for the same project. Because the Burley Mountain Lodge and the Cispus

Environmental Learning Center are the same, I am vetoing the one referred to as Burley Mountain Lodge.

Section 1027, pages 36-37, Department of General Administration, Statewide Infrastructure: Preservation Minor Works

Infrastructure preservation is important for maintaining state facilities in good working order. This section reduces funding for these activities by \$100,000. This veto restores funding levels to the original amount in the underlying budget so that drainage, lighting, and benches can be repaired at Heritage Park.

Section 1030, page 38, Department of General Administration, Minor Works -- Infrastructure Preservation

This item reduces funding for infrastructure preservation by \$204,000. I am vetoing this section to restore funding so that Capitol Campus water and sewer projects and Cascades Gateway Center Campus sewer, water, and storm water projects can proceed.

Section 1032, page 39, Department of General Administration, Minor Works -- Program

This item reduces funding for infrastructure preservation by \$110,000. I am vetoing this section so that Centennial Park sidewalks and the Interpretive Center restroom roof and interior tiles can be replaced.

Section 1037, page 42, Department of Personnel, Thurston County Childcare Needs Assessment -- Predisign

This item directs the Department of Personnel and Department of General Administration to do a predisign to determine childcare needs of state employees in Thurston County; existing licensed childcare capacity; preferred and alternate locations based on that need and capacity; optimum size of childcare space; and project costs for these locations. This work is to be completed by September 15, 2008. I am vetoing this section because this comprehensive analysis cannot be completed within this time frame with the resources provided.

Section 3028(5), page 68, Recreation and Conservation Funding Board, High Speed Watercraft Report

This proviso directs the Recreation and Conservation Funding Board to research hazards to the public from personal high-speed watercraft, such as jet skis, and to prepare a report with recommendations for increasing public enjoyment and safety when personal high-speed watercraft and other forms of motorized and non-motorized water recreation take place together. However, because funding for this research was not provided, I am vetoing this requirement.

Section 3040, pages 75-76, Department of Natural Resources, Recreation Capital Renovations

This proviso would -- with a number of exceptions -- prohibit the Department of Natural Resources from constructing or expanding facilities or trails for off-road recreation vehicles on state land until after June 30, 2009. I am vetoing this proviso because the Department of Natural Resources' planning process includes public input and considers all users and uses for recreation on state-managed lands. In keeping with Substitute House Bill 2472 that I signed, the Department of Natural Resources will also convene a workgroup to improve recreation on state-managed lands and promote safe, sustainable recreation. I will appoint a representative from my office to participate in this collaborative effort and am confident the group will examine funding mechanisms, liability, and site-specific planning issues.

For these reasons, I have vetoed Sections 1019, line 22; 1027; 1030; 1032; 1037; 3028 (5); and 3040 of Engrossed Substitute House Bill 2765.

With the exception of Sections 1019, line 22; 1027; 1030; 1032; 1037; 3028 (5); and 3040, Engrossed Substitute House Bill 2765 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SHB 2770

C 108 L 08

Enacting the governor's homeownership security task force recommendations regarding responsible mortgage lending and homeownership.

By House Committee on Insurance, Financial Services & Consumer Protection (originally sponsored by Representatives Kenney, Lantz, Upthegrove, Conway, Morrell, Schual-Berke, McIntire, Hudgins, Simpson and Rolfes; by request of Governor Gregoire).

House Committee on Insurance, Financial Services & Consumer Protection

Senate Committee on Financial Institutions & Insurance

Background: Regulation of Financial Institutions. Financial institutions are regulated in accordance with their charters. A financial institution may be chartered in Washington or in a different state or by the federal government. An institution that is chartered in Washington is subject to the regulatory authority of the Department of Financial Institutions (DFI).

State and Federal Issuances on Mortgage Lending.

In October 2006 federal financial regulators published the final *Guidance on Nontraditional Mortgage Product Risks (Guidance)*. "Nontraditional" mortgage products include interest-only mortgages, payment option adjustable rate mortgages, and other products that have negative amortization (certain products that result in monthly payments where the payment is insufficient to cover the interest due on the loan). The National Associations for State Financial Regulators adopted parallel standards to address state-licensed mortgage entities that are not subject to the federal guidance.

In June 2007 federal financial regulators published the final *Statement on Subprime Mortgage Lending (Statement)*. The *Statement* addresses the use of hybrid adjustable rate 30-year mortgages that have low rates for a two- or three-year period before adjusting for a 27- or 28-year period. The National Associations for State Financial Regulators adopted parallel standards to address state-licensed mortgage entities that are not subject to the federal statement.

Mortgage Broker Licensing. The DFI licenses mortgage brokers and loan originators under the Mortgage Broker Practices Act (MBPA). The MBPA has provisions regarding licensing, continuing education, prohibited practices, examinations, investigations, and criminal, civil, and administrative penalties.

Foreclosure on Mortgages and Deeds of Trust.

Mortgages and deeds of trust are two forms of security interest in real property used for real estate financing. A mortgage is a pledge of real property as security for a debt owed to the debtor. A mortgage creates a lien on the real property. A mortgage may be foreclosed only through a judicial proceeding according to detailed statutory requirements and procedures.

A deed of trust is, in essence, a three-party mortgage. The borrower grants a deed creating a lien on the real property to a third party (the trustee) who holds the deed in trust as security for an obligation due to the lender. The deed of trust transfers title to the borrower, yet the trustee has a lien against the property until the borrower pays off the obligation in full. If the borrower defaults on the obligation, a deed of trust may be foreclosed without a judicial proceeding. The trustee may foreclose on the property by conducting a public trustee sale when the required procedural and notice requirements are met. The trustee must provide notice to the borrower 30 days prior to the recording of a notice of sale. At least 90 days prior to a sale, the trustee must record a notice of sale in the office of the auditor in the county where the property is located.

Criminal Profiteering. In 1985 state laws regarding "criminal profiteering" were enacted. These laws are similar to the federal Racketeering Influenced and Corrupt Organizations (RICO) Act. Criminal profiteering involves the commission of a crime listed in the statute for financial gain. Crimes that are included in the statute are violent felonies and felonies associated with gambling, drugs, pornography, prostitution, extortion, identity theft, insurance fraud, and securities fraud. There are criminal penalties and civil remedies for criminal profiteering. The civil remedies include monetary penalties, injunctive remedies, and forfeiture.

In September 2007 Governor Gregoire established the Task Force for Homeowner Security (Task Force) to evaluate instability in the mortgage market and minimize the impact in Washington. The Task Force met six times between September and mid-December and issued a report on December 21, 2007. The report included approximately 24 recommendations, including:

- improving disclosure;
- providing notice to homeowners facing potential foreclosure;
- adopting the federal guidance and statement by rule by the DFI;
- prohibiting the steering of consumers into higher cost loans;
- limiting prepayment penalties;
- prohibiting certain products that result in negative amortization;
- clarifying the duty a mortgage broker owes to a customer; and
- increasing the penalties for mortgage fraud.

Summary: A number of definitions are provided. "Financial institution" is defined to include state chartered banks, consumer loan companies, credit unions, mutual savings banks, savings and loans, and mortgage brokers.

Disclosure. The DFI must adopt a disclosure summary understandable to the average person that includes:

- the fees and discount points on the loan;

- the interest rate of the loan;
- the broker's yield spread premium;
- the presence of any prepayment penalties;
- the presence of a balloon payment;
- whether or not property taxes and property insurance is escrowed; and
- other key terms and conditions of the loan.

A residential mortgage loan may not be made unless the summary is provided by a financial institution to a borrower within three days of a loan application. If the terms of the loan change, a new summary must be provided to the borrower within three days of the change or at least three days before closing, whichever is earlier.

State and Federal Issuances on Mortgage Lending. The DFI must adopt rules and apply the *Guidance* and *Statement* to financial institutions. The financial institutions must adopt and adhere to policies that are reasonably intended to achieve the objectives in the *Guidance* and *Statement*.

Prepayment Penalties. A financial institution may not make or facilitate the origination of a residential mortgage loan that includes a prepayment penalty that extends beyond 60 days prior to the initial reset of an adjustable rate mortgage.

Negative Amortization. A financial institution may not make or facilitate the origination of a residential mortgage loan that is subject to the *Guidance* and *Statement* if the loan includes any provisions that result in negative amortization for a borrower.

Steering. A person subject to licensing under the MBPA or the Consumer Loan Act may not steer, counsel, or direct any potential borrower to accept a residential mortgage loan with a risk grade less favorable than what the borrower would qualify for under the lender's existing underwriting standards. The licensee must prudently apply the underwriting standards to the information provided by the borrower.

Rules. The DFI is given general authority to adopt rules to implement the residential mortgage loan requirements.

Mortgage Fraud. In the lending process, it is a Class B felony to:

- defraud or mislead any borrower, lender, or person;
- engage in deceptive practices;
- obtain any property by fraud or misrepresentation;
- knowingly make, use, or facilitate a misstatement, misrepresentation, or omission knowing that it may be relied on by another; and
- receive anything of value in connection with a closing that resulted from a fraudulent practice.

A knowing violation or knowingly aiding or abetting a violation is "ranked" on the sentencing grid in the III tier. This places it on a level that results in a sentence ranging from one to three months up to five years in prison.

Mortgage fraud is added to the list of felonies that are subject to the criminal profiteering laws.

Any person who knowingly alters, destroys, or conceals information to impair the investigation of mortgage fraud is guilty of a class B felony.

Examinations, Investigations, and Enforcement.

The DFI has the authority to investigate or examine mortgage brokers, state-chartered banks, state-licensed consumer loan companies, state-chartered credit unions, state-chartered mutual savings banks, and state-chartered savings and loans to enforce applicable provisions of the MBPA.

Duties of Mortgage Brokers.

Mortgage brokers, loan originators, and people working with or for mortgage brokers must:

- be actuated by good faith;
- abstain from deception; and
- practice honesty and equity in all matters related to their profession.

Notice of Foreclosure On a Deed of Trust.

If the property is owner-occupied residential property, a deed of trust foreclosure notice must include a statement that provides some specific information for the homeowner to consider about the foreclosure and the possible options the homeowner may have available to them, including low-cost or free counseling and legal help.

Votes on Final Passage:

House	92	0
Senate	47	0

Effective: June 12, 2008

HB 2774
C 91 L 08

Making a false or misleading material statement that results in an Amber alert.

By Representatives Barlow, O'Brien, Warnick, Ormsby, Seaquist, Moeller, Morrell and Kelley.

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: America's Missing Broadcast Emergency Response (AMBER) Alerts. The AMBER alert system is a system in which broadcasters, cable systems, and law enforcement agencies voluntarily cooperate to assist in finding abducted children. An investigating law enforcement agency may initiate an AMBER alert if certain conditions are met; e.g., the agency must know the child is abducted, the agency must believe the child is in danger of death or serious bodily injury, there must be enough descriptive data available to believe that an AMBER alert will help recover the child, and the incident must be reported to and investigated by a law enforcement agency. A local agency that has its own

AMBER alert plan may initiate an AMBER alert on its own. A local agency that does not have its own AMBER alert plan must initiate the alert through the Washington State Patrol.

Crimes Relating to False Statements to Public Servants. A person who knowingly makes a false or misleading material statement to a public servant is guilty of a gross misdemeanor. For purposes of this crime, "material statement" means a statement reasonably likely to be relied upon by a public servant in the discharge of his or her official powers or duties.

A person is guilty of False Reporting if he or she, knowing that the information is false, initiates a false report or warning of an alleged occurrence or impending occurrence of a fire, explosion, crime, catastrophe, or emergency knowing that the false report is likely to cause evacuation of a building, place of assembly, or transportation facility or to cause public inconvenience or alarm. False Reporting is a gross misdemeanor.

Summary: A person who, with the intent of causing the activation of the AMBER Alert System, knowingly makes a false or misleading material statement to a public servant that a child has been abducted and which statement causes the activation of the AMBER alert system is guilty of an unranked class C felony. For purposes of this crime, "material statement" means a statement reasonably likely to be relied upon by a public servant in the discharge of his or her official powers or duties.

Votes on Final Passage:

House	95	0	
Senate	42	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 12, 2008

SHB 2778
C 23 L 08

Modifying provisions concerning real estate licensure law.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Wood, Condotta, Chandler and Williams).

House Committee on Commerce & Labor
House Committee on Appropriations
Senate Committee on Labor, Commerce, Research & Development

Background: A real estate broker, associate broker, or salesperson is required to obtain a state license from the Department of Licensing (Department). To receive a license, an individual must meet certain requirements, including passing the license examination established by the Washington Real Estate Commission and having a minimum amount of training. To receive a broker's

license, the applicant must have at least two years of experience as a salesperson.

A real estate broker is a person who:

- sells, lists, or buys real estate for others;
- negotiates for others the purchase, sale, exchange, lease, or rental of real estate, business opportunities, or a manufactured home in conjunction with the land on which the home is located;
- advertises or holds himself or herself out to the public as engaged in these activities; or
- engages, directs, or assists in procuring prospects or in negotiating or closing any transaction which results in these activities.

A real estate salesperson is employed by a real estate broker in conducting the real estate business. An associate real estate broker is a person who has qualified as a broker, but who works with another broker and has a license stating that he or she is associated with another broker.

These licensing requirements do not apply to:

- persons who purchase property and/or a business opportunity for his or her own account;
- attorneys;
- receivers, trustees in bankruptcy, executors, administrators, or others acting under the order of any court;
- owners of rental or lease property;
- persons who manage residential property; and
- persons who own or manage a self-service storage facility.

Summary: Real Estate Brokerage Services Licensure. Persons engaged in real estate brokerage services are subject to licensing by the Department. The licensing structure of these licensees consists of real estate brokers, managing brokers, designated brokers, and real estate firms, which replaces the Department's previous licensing structure of real estate salespersons, associate brokers, and brokers.

Real estate brokerage services include the following services rendered for compensation:

- listing, selling, purchasing, exchanging, optioning, leasing, or renting of real estate;
- negotiating or offering to negotiate the purchase, sale, exchange, lease, or rental of real estate;
- listing, selling, purchasing, exchanging, optioning, leasing, renting, or negotiating or offering to negotiate the purchase, sale, exchange, lease, or rental of a manufactured or mobile home or the land where the home will be located;
- advertising or holding oneself out to the public as engaged in real estate brokerage services;
- advising, counseling, or consulting in connection with a real estate transaction; and
- issuing a broker's price opinion.

Several exemptions from licensing are added, which include:

- employees of governmental entities involved in an acquisition of property for right-of-way or eminent domain actions;
- persons providing referrals to licensees who do not perform other real estate brokerage services;
- certified public accountants and investment counselors who do not engage in real estate brokerage services;
- title and escrow companies, escrow agents, closing attorneys, or financial institutions acting as escrow agents who do not perform real estate brokerage services; and
- employees of managing or designated brokers or employees of individual property owners who perform limited property management duties.

There are four types of licensees under the licensing structure. Each type of licensee has different licensing requirements and professional responsibilities.

Broker. The broker is converted into the entry level licensee. To be licensed, a broker must complete 90 hours of instruction and pass a broker's licensing examination. To renew a license, a broker must pay a renewal fee and complete an additional 90 hours of instruction. A broker is only licensed to one firm and is supervised by managing and designated brokers. Prompt delivery to managing brokers of required records and complete copies of transactions is required. During the first two years of a broker's licensure, a managing broker must provide a heightened level of supervision.

Managing Broker. Managing brokers must have a minimum of three years of experience as a real estate broker. Applicants for managing broker licenses must complete an additional 90 hours of instruction within three years of applying for the managing broker's license, pass a course examination, and pass the managing broker's license examination. A managing broker may only be licensed to one firm at a time and has supervisory and oversight responsibilities over brokers. Prompt delivery to designated brokers of required records and complete copies of transactions is required.

Designated Broker. A designated broker has authority to act for the firm. A designated broker either owns a sole proprietorship real estate firm or has a controlling interest in a real estate firm. To act as the designated broker in a firm, a designated broker must hold a license as a managing broker and must receive an endorsement from the Department. A designated broker may act as a designated broker for more than one firm.

A designated broker may, by written agreement, delegate responsibility over client funds and trust account records to a managing partner. The designated broker must, however, maintain a record of the firm's managing brokers and the delegations.

Real Estate Firm. Real estate firms must also be licensed. In order to receive a license, a firm must designate a managing broker to act as the designated broker

and must supply the Department with the names of all those who have a controlling interest in the firm. The Department may not license a firm where a person with a controlling interest has been subject to a suspension or revocation of a real estate license. The firm must maintain and produce records as required by the Department.

Other Licensing and Educational Requirements. In addition to the specific license requirements, applicants for a license must complete a fingerprint-based background check through the Washington State Patrol. If licensees are employed with the Department, their licenses are placed on inactive status. If a licensee is employed by a local government and conducting real estate transactions on behalf of the local government, his or her managing and designated brokers are not responsible for real estate transactions on behalf of his or her local government employer. Reciprocity may only be granted to persons with licenses deemed equivalent to licenses held by Washington licensees.

The Department is authorized to take disciplinary action against real estate school administrators and instructors based upon conduct, acts, or conditions prescribed by rule. The Real Estate Commission may also approve examination locations in foreign jurisdictions.

Trust Accounts. If a licensee exercises control over real estate transaction funds, those funds are considered trust funds. Firms must keep real estate trust fund accounts in a recognized Washington depository. Licensees must keep trust funds separate from their own funds. In transactions concerning a purchase and sale agreement that instructs the broker to deliver the earnest money check directly to a named closing agent or the seller, a firm is not required to maintain a trust fund account. Brokers must deposit all funds into their firm's trust bank account the next banking day following receipt of the funds unless the purchase and sale agreement provides for deferred delivery.

Various grammatical corrections and clarifying language changes are made. Sections are repealed related to licenses that no longer exist, temporary permits, multiple listing associations, and land development representatives.

Votes on Final Passage:

House	94	0
Senate	45	1

Effective: July 1, 2010

SHB 2779

C 191 L 08

Requiring a specialized forest products permit to sell raw or unprocessed huckleberries.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Orcutt, Blake, Chase, McCoy, Lantz and Skinner).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Specialized Forest Products. A specialized forest product (SFP) is, generally, an item found in the forest with a value other than that found with traditional timber. The term SFP is defined to include native shrubs, cedar products, cedar salvage, processed cedar products, speciality wood, edible mushrooms, and certain barks. Many of these terms are further defined to include items such as certain logs or slabs of cedar, spruce, maple, and alder, along with cedar shakes and fence posts.

A SFP permit, or a true copy of the permit, is required in order to possess or transport the following:

- a cedar product or salvage;
- specialty wood;
- more than five Christmas trees or native ornamental trees or shrubs;
- more than five pounds of picked foliage or Cascara bark; and
- more than five gallons of a single mushroom species.

The SFP permit must be obtained prior to harvesting or collecting the products, even from one's own land, and is available only from county sheriffs on forms provided by the Department of Natural Resources (DNR). The permit must be validated by a sheriff.

For cedar and speciality wood, a processor must keep records of the purchase for one year and have a bill of lading available to accompany all cedar or speciality wood products.

Violations of the law on SFPs are punishable as a gross misdemeanor, and a convicted individual may face a fine up to \$1,000 and/or up to one year in a county jail. In addition, a law enforcement officer with probable cause may seize and take possession of any SFPs found and, if the product seized was cedar or speciality wood, may also seize any equipment, vehicles, tools, or paperwork.

Huckleberries. It is considered a violation of the law on SFPs if a person harvests huckleberries in any amount using a rake, mechanical device, or any other method that can damage the huckleberry bush.

Summary: Requirements on Huckleberry Sellers. An SFP permit must be obtained by a person planning to offer raw or unprocessed huckleberries for sale prior to actually selling the huckleberries. The requirement to obtain a permit prior to selling huckleberries applies regardless of whether the huckleberries were obtained from the land of the seller or a consenting landowner. The only exemption to the permit requirement is if the seller of the huckleberries can show that the huckleberries came from land owned by the United States Forest Service and is able to provide documentation that the huckleberries were harvested lawfully.

The SFP permit required to sell huckleberries may be obtained either before or after the huckleberry harvest, and is available directly from the DNR or from any county sheriff's office. The actual permit must contain information as to where the huckleberries were or are planned to be harvested, and the approximate amount of huckleberries offered for sale.

A SFP permit is not required to harvest, possess, or transport huckleberries. However, obtaining an SFP permit does not give the permit holder the authority to harvest huckleberries on land not owned by the permit holder. The permit holder must still seek permission from the landowner to harvest huckleberries and abide by whatever terms are negotiated between the landowner and the permit holder. The actual SFP permit must include a statement informing the holder of the requirement to obtain the landowner's permission prior to harvest.

Requirements on Huckleberry Buyers. A buyer of raw or unprocessed huckleberries, other than a retail buyer, is required to record the permit number of the seller, the name of the permit holder, the license plate of the seller, and the amount of huckleberries purchased. The buyer must retain the records for one year and, if requested, make the records available to law enforcement or university research.

Huckleberries as an SFP. The definition of an SFP is not expanded to include huckleberries. However, many of the provisions that apply to SFPs also apply to huckleberries. In addition, translation services and other community outreach efforts that are encouraged for SFP workers are also encouraged for huckleberry harvesters.

Votes on Final Passage:

House	95	0	
Senate	46	1	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

HB 2781

C 190 L 08

Enhancing Washington state history and government course requirements for high school graduation.

By Representatives Wallace, Chase, Sells, Conway, Morrell, Haigh, Hankins and Santos.

House Committee on Education

Senate Committee on Early Learning & K-12 Education

Background: High school graduation requirements include two and one-half credits of social studies. At least one credit of this total must cover U.S. history and government, and another one-half credit is required in Washington history and government. Study of the U.S. and Washington Constitutions is a requisite part of these courses. State law encourages, but does not require, that the Washington history and government course include information about the history, culture, and government of the American Indian people. Beginning with the 2008-09 school year, students in the 11th or 12th grades must complete at least one classroom based assessment in civics.

Summary: Beginning with the 2009-10 school year, school districts are required to ensure that Washington history and government courses include the following content:

- commerce in Washington and Washington's place in the global economy;
- the Washington State Constitution and Washington politics;
- Washington geography; and
- Washington history and culture.

Educators are encouraged to also include instruction on the meaning and history of the pledge of allegiance. The Office of the Superintendent of Public Instruction must adopt rules to provide guidance for complying with the provision regarding instruction about Washington's Constitution, politics, and the pledge of allegiance.

Votes on Final Passage:

House	91	0	
Senate	48	0	(Senate amended)
House	89	4	(House concurred)

Effective: June 12, 2008

E2SHB 2783

FULL VETO

Regarding transfer and articulation between institutions of higher education.

By House Committee on Appropriations (originally sponsored by Representatives Wallace, Chase, Anderson, Sells, Haigh, Roberts, Hasegawa, Morrell, Sullivan, Kenney and Hudgins).

House Committee on Higher Education
House Committee on Appropriations
Senate Committee on Higher Education
Senate Committee on Ways & Means

Background: Direct Transfer Agreement. The Higher Education Coordinating Board (HECB) is responsible for establishing a statewide transfer of academic credit policy and agreement, in cooperation with the public institutions of higher education and the State Board for Community and Technical Colleges (SBCTC). Together, these entities have created the direct transfer agreement (DTA). Any student who completes an approved DTA Associate Degree at a community college is considered to have satisfied the lower division general education requirements at a public four-year institution. These students are generally admitted as juniors when they transfer.

Course Equivalency. Outside of DTA Associate Degrees, each four-year institution determines how courses earned at another college or university meet general education requirements and apply toward requirements for a major, or count toward a Baccalaureate Degree. At some institutions this determination is made by faculty within each college or department. To assist students, each institution has created guides to illustrate course equivalency: which courses from which institutions are considered equivalent to which courses at the receiving institution. However, there is no statewide system of course equivalency in Washington.

Most students complete a DTA Associate Degree before they transfer, but about 30 percent transfer before completing a degree. For these students, unless the community college has a special articulation agreement, each four-year institution makes a separate determination regarding whether the students' courses meet its general education requirements.

Transfer Associate Degrees. In the late 1990s analysis of students' credit accumulation and graduation patterns revealed that transfer students in science, math, and other highly structured majors did not graduate as efficiently as non-transfer students. When they arrived at a four-year institution, these transfer students needed to take additional lower division course requirements to qualify for their major.

To address this problem, the Council of Presidents (COP), the HECB, and the SBCTC convened a work group to develop a statewide Associate of Science Transfer Degree (AS-T), which was adopted in 2000. Under the AS-T, students take more math and science prerequisites while at the community college, with the objective of transferring directly into a major once they reach a four-year institution.

More recently, the HECB asked that the Joint Access Oversight Group (JAOG) develop Major Related Programs (MRPs). An MRP is based on the DTA or AS-T but specifies the prerequisite coursework that will provide the best preparation for entry into certain competitive majors. In 2005 the workgroups completed four MRPs: nursing, elementary education, pre-engineering, and engineering technology. In 2007 the group completed additional programs in secondary education, earth and space science, and construction management.

Regional and National Accreditation. There are many legitimate agencies that accredit schools across the United States, and they can be broadly grouped into two categories: regional and national. Regional accreditors cover a section of the United States; for instance, the Northwest Commission on Colleges and Universities (NWCCU) covers a seven state region including Alaska, Montana, Idaho, Washington, Oregon, Utah, and Nevada. All public two and four-year institutions in Washington are regionally accredited by NWCCU. National accreditors cover schools across the United States and sometimes abroad. They started as associated schools with a common, relatively narrow theme and, thus, nationally accredited schools have traditionally been for-profit trade schools and colleges of technology.

The main issue for students regarding accreditation is the transferability of credit. While nationally accredited institutions will usually accept transfer credits from regional institutions, regional institutions will not typically accept transfer credits from national institutions. This means that if a student earns an Associate Degree from a nationally accredited school, he or she may have to start over if transferring to a regionally accredited school.

Web-based Advising and Academic Planning Systems. In 2004 the HECB was charged with designing a statewide system of course equivalency as well as a strategy to communicate course equivalency to students, faculty, and staff. The HECB convened a work group that jointly established a strategy to create a single website through which students could determine equivalent courses for any public two or four-year institution in the state. Roughly 30 other states have some level of Web-based advising in place. In its most robust form, Web-based advising sites help students audit progress toward a degree, explore program requirements for different majors at different schools, "chat" online with transfer advisors, and apply for admission to institutions.

Summary: Transfer Student Bill of Rights. The HECB must convene a work group to develop a list of institutional policy statements about transfer and articulation for students that have earned a Transfer Associate Degree under the direct transfer agreement. The list must be easily accessible on each institution's website as well as in admissions, transfer, and recruiting offices. The list must include institutional policy regarding admission to an institution, the number of credits that will generally transfer, the academic requirements fulfilled by the transfer degree, the acceptance of credit earned in dual enrollment and accelerated programs, and the acceptance of credits from non-regionally accredited institutions. The list must also include advance knowledge of selection criteria for limited access programs. The transfer student bill of rights must be implemented by September 2009.

System of Identification for Transferable Courses. The HECB must convene a work group to recommend the best means to identify the transferability and applicability of community and technical college courses to baccalaureate institutions.

Institutions must include the system of identification in course catalogs, and the system must be implemented by September 2009.

Monitor Progress and Success. The HECB must convene a work group to develop a plan to monitor the progress and success of transfer students over time. The plan must include analysis recommendations regarding the barriers that transfer students face in attaining their degrees and recommendations to address those barriers. The plan must also contain several indicators, listed below:

- number of students who transfer within three years of enrollment;
- three-year educational outcomes for students who earn 15 college-level credits;
- percentage of students who earn a Baccalaureate Degree within three years of earning an Associate Degree;
- average time and number of credits to complete a Transfer Associate Degree; and
- average Grade Point Average (GPA) for students who earn a Transfer Associate Degree, displayed by the student's intended transfer destination.

The HECB must collaborate with the work group and the SBCTC and report to the appropriate committees of the Legislature by January 2009 and thereafter in alignment with reporting related to goals in the HECB's strategic master plan.

Web-based Advising Development Group. The HECB must convene a work group to develop a detailed plan for developing and implementing a statewide Web-based academic planning tool. The plan must include three elements:

- recommendations regarding the functions that should be included in the website;
- recommendations for development including whether the state should "build it versus buy it;" and
- costs associated with development options.

The HECB must report to the appropriate committees of the Legislature by December 15, 2008.

These provisions are null and void if specific funding is not provided in the budget.

Votes on Final Passage:

House	96	0	
Senate	45	0	(Senate amended)
House	94	0	(House concurred)

VETO MESSAGE ON E2SHB 2783

April 1, 2008

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval, Engrossed Second Substitute House Bill 2783 entitled:

“AN ACT Relating to transfer and articulation between institutions of higher education.”

Engrossed Second Substitute House Bill 2783 creates work groups and outlines tasks to improve student credit transferability among community and technical colleges and four-year institutions of higher education. In addition, a list of student rights is to be developed. While this legislation focuses on the right problems, efforts already exist at the Higher Education Coordinating Board (HECB) and the State Board for Community and Technical Colleges (SBCTC) in this area. I am concerned that setting up another work group may actually distract us from the work already underway.

To assure that all interested parties are aware of current efforts, I am taking the following actions. First, I am directing the HECB and the SBCTC to continue working on transfer issues through the Joint Access Oversight Group. I request that these agencies develop ways to inform students, in clear language, about the transfer process and the information they need to continue their educational careers. I also ask that the remaining barriers, especially for students transferring from technical programs or career schools be addressed.

Second, I am also directing the HECB and the SBCTC to refine and combine their plans for a web-based advising system. A single, unified proposal should review and build upon the Joint Access Oversight Group's focus group work, the SBCTC program plan, and other work.

I am also directing that the solution, products, and recommendations from the above efforts be presented to the P-20 Council. I am looking forward to this report.

For these reasons, I have vetoed Engrossed Second Substitute House Bill No. 2783 in its entirety.

Respectfully submitted,



Christine Gregoire
Governor

HB 2786
C 98 L 08

Including level I offenders who fail to maintain registration as required by RCW 9A.44.130 to the statewide notification web site.

By Representatives Kelley, Hurst, Lantz, Upthegrove, Pearson, Morrell, Priest, Kenney, Haler, Williams, Loomis, Smith, Bailey, Kristiansen, McCune, Simpson and VanDeWege; by request of Governor Gregoire.

House Committee on Public Safety & Emergency Preparedness

Senate Committee on Human Services & Corrections

Background: Under the Community Protection Act of 1990, a sex or kidnapping offender must register with the county sheriff of the county in which he or she resides. The offender must provide certain information upon registration including name, complete residential address, date and place of birth, place of employment, crime of conviction, date and place of conviction, aliases, Social Security number, photograph, and fingerprints.

Law enforcement agencies are authorized to release information regarding registered sex offenders based on the offenders' risk level. For example, for a risk level I offender (evaluated as presenting the least amount of risk to the larger community), a law enforcement agency may only disclose the offender's information to specified persons and entities; e.g., schools, victims, and witnesses. For a risk level III offender (evaluated as presenting the largest amount of risk to the larger community), a law enforcement agency may disclose the offender's information to the public at large.

In addition, the Washington Association of Sheriffs and Police Chiefs operates a website that contains information on all registered kidnapping offenders and all registered level II and level III sex offenders. The website is capable of showing the location of registered sex offenders on a map and is searchable by county, city, zip code, last name, type of conviction, and address by hundred block.

Summary: The Washington Association of Sheriffs and Police Chiefs must include on the statewide sex offender website level I sex offenders during the time they are out of compliance with the registration statute.

Votes on Final Passage:

House 97 0
Senate 44 0 (Senate amended)
House 95 0 (House concurred)

Effective: June 12, 2008

SHB 2788
C 277 L 08

Organizing definitions in Title 77 RCW.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives VanDeWege, Blake, Orcutt, Kretz, Nelson, Grant, Williams, Eickmeyer, Linville and McCoy).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Title 77 of the Revised Code of Washington governs the Department of Fish and Wildlife and overall fish and wildlife management policy in the state. The construction of Title 77 is such that there is one main definition section applicable to the entire title, and over a dozen other freestanding sections that serve only to provide a definition for one term or a small grouping of terms. In addition, there are other definitions applicable to the provisions of Title 77 that appear within the construction of other substantive laws. The main definition section of Title 77 contains 56 definitions. These are not codified in alphabetical order.

Summary: The Office of Code Revisor is directed to put the definitions applicable to Title 77 into alphabetical order.

Votes on Final Passage:

House 93 0
Senate 47 1 (Senate amended)
House (House refused to concur)
Senate 48 1 (Senate amended)
House 97 0 (House concurred)

Effective: June 12, 2008

HB 2791
C 278 L 08

Concerning distressed home conveyances.

By Representatives Lantz, Rodne and Kelley; by request of Attorney General.

House Committee on Judiciary

Senate Committee on Consumer Protection & Housing

Background: Credit Services Organization Act and Equity Skimming Laws. Certain practices involving foreclosure of real property are governed by Washington law. The Credit Services Organization Act (CSOA) applies to any company that performs, or claims it performs, certain services for a person such as stopping, preventing, or delaying a foreclosure, in return for a fee or some other consideration. The CSOA requires licensing and bonding of certain credit service organizations, requires a written contract with a right of cancellation,

and makes a violation of the CSOA a Consumer Protection Act (CPA) violation.

"Equity skimming" practices are used to obtain title to properties for the purpose of either taking the equity out of the property or obtaining rents or payments on the property without satisfying any of the underlying obligations that may exist on the property. For example, a person induces a homeowner who is in financial distress to deed the property to the person, with the assurance that the person will assume the underlying debt on the property. The person never assumes the debt, but instead rents or sells the property and diverts value from the property to his or her own personal use. The property is eventually foreclosed. In Washington, equity skimming is a class B felony and a violation of the CPA.

Consumer Protection Act. Under the CPA, the Attorney General may bring an action in the name of the state against any person to restrain and prevent an unlawful action. The CPA also allows any person who is injured in his or her business or property by a CPA violation to bring a civil action to stop the violator from further actions and to recover actual damages, plus reasonable attorneys' fees. In addition, the court may award the plaintiff treble damages (three times the actual damages sustained) not to exceed \$10,000.

Foreclosure Rescue Transactions. Homeowners who are late, or at risk of being late in their mortgage payments or have defaulted on their mortgage, may be approached with offers to assist them with their mortgage problems. Several types of assistance may be offered. First, a person may offer to buy the homeowner's house and allow the homeowner to continue to live there as a tenant. The buyer may make representations before the sale that after a certain period of time, the homeowner will have paid enough rent to get his or her home back. This is commonly referred to as a sale-leaseback transaction. Second, a homeowner may be approached with an offer of a "foreclosure surplus sale." When a foreclosed house is auctioned off, the sale may bring more money than is due on the mortgage. That additional money is called "surplus equity." In a foreclosure surplus sale, the homeowner assigns his or her right to the surplus equity to the buyer for a lump sum. Third, other types of services may be offered to the homeowner. For instance, a person may offer to negotiate with the lender on the homeowner's behalf or offer to arrange a sale of the home that includes an option for the homeowner to repurchase it in the future.

Summary: The equity skimming laws are expanded to cover distressed home consultants and distressed home conveyances.

Distressed Home Consultants. A distressed home consultant is: (1) a person who contacts a distressed homeowner and offers to perform certain services for the homeowner, such as stopping a foreclosure sale, assisting the homeowner in refinancing a loan, obtaining an

option to purchase the distressed property after foreclosure, arranging a repurchase option for the homeowner, or other services; or (2) a person who systematically contacts property owners whose homes are in foreclosure or in danger of foreclosure. A property is "in danger of foreclosure" if: (1) the homeowner has defaulted on a mortgage or is at least 30 days delinquent on a loan secured by the property; or (2) the homeowner has a good faith belief that he or she is likely to default on the mortgage within four months due to lack of funds and the homeowner reports that belief to any one of a number of persons, including a mortgage broker, real estate broker, an attorney, a mortgage or credit counselor, or any other party to a distressed home consulting transaction.

"Distressed home consultant" does not mean a financial institution, a nonprofit credit counseling service, a licensed attorney, a person subject to the mortgage loan servicing laws, or a licensed mortgage broker who procures a nonpurchase mortgage loan for the homeowner.

A distressed home consultant has a fiduciary duty to a distressed homeowner and must act in the homeowner's best interest, disclose all material facts to the homeowner, use reasonable care in performing his or her duties, and provide an accounting to the homeowner. Distressed home consultant transactions must be in writing and contain certain notice to the homeowner. A person may not waive any provisions governing distressed home transactions and distressed home conveyances.

Distressed Home Conveyances. A distressed home conveyance is a transaction in which: (1) a foreclosed homeowner transfers an interest in the distressed property to a distressed home purchaser; (2) the purchaser allows the foreclosed homeowner to occupy the property; and (3) the purchaser conveys or promises to convey the property to the foreclosed homeowner; or provides the foreclosed homeowner with an option to purchase the property at a later date; or promises the foreclosed homeowner an interest in, or portion of, the proceeds of any resale of the property.

A distressed home conveyance must be by written contract and the homeowner has a right to cancel the contract within five business days. The contract must be in at least 12 point boldface type, be in the same language principally used by the parties, and specify certain information, including: the total consideration to be provided by the purchaser in connection with or incident to the sale; a complete description of the terms of payment; the time at which possession is to be transferred to the purchaser; a complete description of the terms of any related agreement designed to allow the foreclosed homeowner to remain in the home; a complete description of the interest, if any, the foreclosed homeowner maintains in the proceeds of, or consideration to be paid upon, the resale of the property; the notice of right of cancellation; and notice that the purchaser cannot ask the

foreclosed homeowner to sign any deed or other document until the right of cancellation has ended.

Cancellation occurs when the foreclosed homeowner delivers to the purchaser by any means a written notice of the cancellation. A notice of cancellation is not required to take a particular form, but the purchaser must attach a notice of cancellation form to the contract provided to the foreclosed homeowner.

A distressed home purchaser is prohibited from doing specific acts and practices listed in the bill. The purchaser must not enter into, or attempt to enter into, a distressed home conveyance unless the purchaser verifies and can demonstrate that the foreclosed homeowner has a reasonable ability to pay for the subsequent conveyance of an interest back to the foreclosed homeowner.

A purchaser must either: (1) ensure that title to the property has been reconveyed to the foreclosed homeowner; or (2) make payment to the foreclosed homeowner so that the foreclosed homeowner has received consideration in an amount of at least 82 percent of the fair market value of the property as of the date of the eviction or voluntary relinquishment of possession of the property by the foreclosed homeowner.

The purchaser must extinguish or assume all liens encumbering the distressed home immediately following the conveyance of the distressed home, and must close the conveyance in person before an independent third party authorized to conduct real estate closings within the state. The purchaser must not enter into repurchase or lease terms that are unfair or commercially unreasonable. The purchaser must not represent that he or she is acting as an advisor or consultant or acting on behalf of or in the interests of the foreclosed homeowner or acting to save the home or buy time. Other prohibitions are listed in the bill.

A violation of the act is a per se violation of the CPA. An action for violating the act may only be brought by a foreclosed homeowner against whom the violation was committed or by the Attorney General. In a private right of action under the CPA, the court may double or triple the damages award, subject to the statutory limit. However, if the court determines that the defendant acted in bad faith, the limit for doubling or tripling the damages award may be increased up to \$100,000. A claim for damages must be commenced within four years after the date of the alleged violation. A CPA action is in addition to any other remedy available. An action under the CPA does not affect the rights in the distressed home held by a distressed home purchaser for value under the act or other applicable law.

Unlawful Detainer Actions. In any unlawful detainer action (eviction) under the Residential Landlord Tenant Act, the plaintiff to the action must disclose to the court whether the defendant/tenant previously held title to the property and explain how the plaintiff came to acquire title. When a defendant claims that the plaintiff

acquired title through a distressed home conveyance, there must be an automatic stay of the unlawful detainer action and consolidation of the action with a pending or subsequent quiet title action. In addition, a defendant who previously held title to property that was a distressed home is not required to escrow any money pending trial when a material question of fact exists as to whether the plaintiff acquired title from the defendant directly or indirectly through a distressed home conveyance.

Votes on Final Passage:

House	96	0	
Senate	39	6	(Senate amended)
House			(House refused to concur)
Senate	46	3	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

HB 2792

C 24 L 08

Relating to computing breaks in the parimutuel system.

By Representatives Wood, Condotta, Grant, Conway and Quall.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: For purposes of payoffs on horse racing, the "break" specifies at what point the payoff is rounded down so the track does not pay on the exact penny of the final odds. Washington law specifies the break at 10 cents. For example, a payoff of \$2.38 becomes \$2.30. It is a violation of the horse racing laws for a licensee to compute a break at other than exactly 10 cents.

Some jurisdictions require their breakage to be applied to simulcast wagering by their residents at tracks of other jurisdictions.

Summary: The break, for purposes of horse racing payoffs, is changed from 10 cents to not more than 10 cents.

Votes on Final Passage:

House	95	0
Senate	46	1

Effective: June 12, 2008

E2SHB 2815

C 14 L 08

Providing a framework for reducing greenhouse gas emissions in the Washington economy.

By House Committee on Appropriations (originally sponsored by Representatives Dunshee, Priest, Linville, Upthegrove, Nelson, Goodman, Hurst, Lantz, Hunt, Cody, McCoy, Quall, Pettigrew, Fromhold, Dickerson, Darneille, Appleton, Green, Sells, Pedersen, Jarrett, Conway, Morrell, Miloscia, Sullivan, Schual-Berke, McIntire, Williams, Hudgins, Simpson, Ericks, VanDeWege and Ormsby; by request of Governor Gregoire).

House Committee on Ecology & Parks

House Committee on Appropriations

Senate Committee on Water, Energy & Telecommunications

Senate Committee on Ways & Means

Background: Governor Gregoire's Executive Order Setting Greenhouse Gas Emissions Goals. On February 7, 2007, Governor Gregoire issued an executive order establishing goals for Greenhouse Gas (GHG) emissions reductions, for increasing clean energy sector jobs, and for reducing expenditures on imported fuel. The executive order also directed the Department of Ecology (DOE) and the Department of Community, Trade and Economic Development (DCTED) to lead stakeholders in a process that will consider a full range of policies and strategies to achieve the greenhouse gas (GHG) emissions goals.

In response to the Governor's executive order, the DOE and the DCTED have formed the Washington Climate Advisory Team (CAT) to assist with the development of specific action-oriented recommendations for climate change mitigation policies and plans for Washington. Their report is due to the Governor in 2008. The final report will compile and summarize recommended policy options of the CAT based on the outcome of final votes on individual recommendations.

ESSB 6001. *GHG Emissions Reductions.* With enactment of ESSB 6001 in 2007, the following goals are established for statewide GHG emissions:

- by 2020 reduce GHG emissions to 1990 levels;
- by 2035 reduce GHG emissions to 25 percent below 1990 levels; and
- by 2050 reduce GHG emissions to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

By 2020 there is a goal to increase the number of clean energy sector jobs to 25,000.

The Governor must develop policy recommendations on how the state can achieve the GHG emissions reductions goals. The recommendations must include how market mechanisms would assist in achieving the goals.

GHG Emissions Reports. The DOE and the DCTED reported to the Legislature in December 2007 on the total GHG emissions for 1990 and totals in each major sector for 1990. By December 31 of each even-numbered year beginning in 2010, the DOE and the DCTED must report to the Governor and the Legislature the total GHG emissions for the preceding two years and totals in each major source sector.

The GHG Emissions Performance Standard. All baseload electric generation (electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60 percent) that begins operation after June 30, 2008, and is located in Washington, must comply with certain performance standards. There are designated statutory exemptions.

Enforcing the GHG Emissions Performance Standard. By June 30, 2008, the DOE and the Energy Facility Site Evaluation Council (EFSEC) must coordinate and adopt rules to implement and enforce the GHG emissions performance standard, including the evaluation of sequestration and mitigation plans. In addition, the DCTED must consult with specified groups, such as the Bonneville Power Administration, and consider the effects of the standard on system reliability and the overall costs to electricity customers. In order to update the standard, the DCTED must conduct a survey every five years of new combined-cycle natural gas thermal electric generation turbines commercially available and offered for sale by manufacturers and purchased in the United States. The DCTED must use the survey results to adopt by rule the average available GHG emissions output. The survey results must be reported to the Legislature every five years, beginning June 30, 2013.

The DOE, in consultation with the DCTED, the EFSEC, the Washington Utilities and Transportation Commission (WUTC), and the governing boards of consumer-owned utilities, must review the GHG emissions performance standard no less than every five years or upon the implementation of a federal or state law or rule regulating carbon dioxide emissions of electric utilities, and report to the Legislature.

Summary: GHG Emissions Reductions. The state must limit emissions of GHG to achieve the following statewide emission reductions:

- by 2020 reduce overall GHG emissions in the state to 1990 levels;
- by 2035 reduce overall GHG emissions in the state to 25 percent below 1990 levels; and
- by 2050 reduce overall GHG emissions in the state to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

By December 1, 2008, the DOE must submit a GHG reduction plan for review and approval to the Legislature describing the necessary actions needed to achieve the GHG emission reductions.

The DOE must develop and implement a system for monitoring and reporting GHG emissions. By December 31 of each even-numbered year beginning in 2010, the DOE and the DCTED must report to the Governor and the Legislature the total GHG emissions for the preceding two years, and totals in each major source sector.

Except for the purposes of reporting, emissions of carbon dioxide from the industrial combustion of biomass in the form of fuel wood, wood waste, wood byproducts, and wood residuals is not considered a GHG as long as the region's silvicultural sequestration capacity is maintained or increased.

The DOE, in coordination with the Western Climate Initiative (WCI), will develop a design for a regional multisector market-based system to limit and reduce GHG emissions. By December 2008 the DOE and the DCTED will provide the Legislature with specific recommendations for implementing the design for the multisector market-based system. The recommendations will include: (1) the schedule for implementing the design by January 1, 2012; (2) any necessary changes to the reporting requirements; and (3) recommendations for actions that would prevent manipulation of the multisector market-based system.

The DOE and the DCTED will report to the Legislature by December 2008 on the final recommendations of the CAT, including strategies to reduce the quantity of emissions of GHG per distance traveled in the transportation sector. The report will also include a request for any needed resources or statutory authority to reduce GHG emissions, recommendations on how projects funded by the Green Energy Incentive Account may be used to expand electrical transmission infrastructure into urban and rural areas of the state for purposes of allowing the recharging of plug-in hybrid vehicles, recommendations on how local governments could be included in the multisector market-based system, recommendations regarding the circumstances under which generation of electricity or alternative fuel from landfill gas and gas from anaerobic digesters may receive an offset or credit in the multisector market-based system, and recommendations from the Department of Natural Resources and the Department of Agriculture on how forestry and agricultural lands and practices may participate voluntarily as an offset or other credit program in the regional multisector market-based system.

Reporting. The DOE must adopt rules requiring persons to report their GHG emissions. Any fees for reporting will be determined by the DOE and deposited into the Air Pollution Control Account. If persons fail to report or fail to pay the required reporting fee, penalties may be imposed.

Owners or operators of a fleet of on-road motor vehicles that emit at least 2,500 metric tons of direct GHG emissions annually in the state, or a source or combination of sources that emit at least 10,000 metric tons of

direct GHG emissions annually in the state, must report their total annual GHG emissions beginning in 2010 for their 2009 emissions. The DOE rules must establish an annual reporting schedule where reports must be submitted by October 31 each year. The DOE may phase in the reporting requirements until either the threshold is met or January 1, 2012, whichever occurs first. The DOE has discretion to amend the rules to include other persons that emit less than the annual GHG emission levels required to report in order to comply with federal reporting requirements. With the assistance of the Department of Transportation (DOT), the DOE must identify a mechanism to report an aggregate estimate of the annual GHG emissions generated from or emitted by otherwise unreported on-road motor vehicles. The DOE may defer the reporting requirements for emissions associated with the interstate and international commercial aircraft, rail, truck, or marine vessels until either there is a federal requirement to report the emissions or the DOE finds there is a generally accepted reporting protocol for determining interstate emissions.

The Energy Facility Site Evaluation Council (EFSEC) must adopt rules that require the same GHG emissions reporting requirements in site certifications on persons operating or responsible for the operation of a facility permitted by the EFSEC.

If the federal government adopts rules governing the reporting of GHG emissions, the DOE must propose amendments to its rules to ensure consistency and non-duplicative reporting with the federal rules.

Within 18 months of the next, and each successive, global or national assessment of climate change, the DOE and the University of Washington's Climate Impacts Group must report to the Legislature regarding the science on human-caused climate change and provide recommendations on whether the state GHG emission reductions need to be updated.

Vehicle Miles Traveled. The following statewide benchmarks are established:

- decrease the annual per capita vehicle miles traveled by 18 percent by 2020;
- decrease the annual per capita vehicle miles traveled by 30 percent by 2035; and
- decrease the annual per capita vehicle miles traveled by 50 percent by 2050.

The DOT, using a collaborative process with the DOE and the DCTED, must make recommendations to the Legislature by December 1, 2008, that include a set of tools and best practices to assist state, regional, and local entities in making progress toward achieving these benchmarks. The recommendations must identify current strategies to reduce vehicle miles traveled in Washington, as well as successful strategies in other jurisdictions. The recommendations must identify potential new revenue options for local and regional governments to finance vehicle miles traveled reduction

efforts. In addition, the recommendations must also include tools that measure annual progress toward the benchmarks and adequately distinguish between common travel purposes. The DOT must also establish a process to periodically evaluate the progress toward the benchmarks and recommend whether the benchmarks should be adjusted, and estimate the projected reductions in GHG emissions if the benchmarks are achieved. The DOT must also examine the access of public transportation areas with affordable housing and make recommendations for steps to ensure that those areas are adequately served by public transportation.

Prior to the implementation of the benchmarks, the DOT must provide a report on the anticipated impacts of the benchmarks.

Green Economy Jobs Growth Initiative. By 2020 the state's goal is to increase the number of clean energy jobs to 25,000. The DCTED, in consultation with the Employment Security Department (ESD), the State Workforce Training and Education Coordinating Board (SWTECB), the State Board of Community and Technical Colleges (SBCTC), and the Higher Education Coordinating Board (HECB) must develop a defined list of terms, consistent with current workforce and economic development terms, associated with green economy industries and jobs. The ESD, in consultation with the DCTED, the SWTECB, the SBCTC, the HECB, the Washington State University Small Business Development Center, and the Washington State University Extension Energy Program (WSU) will conduct labor market research to analyze the current labor market and projected job growth in the green economy, the current and projected recruitment and skill requirement of green industry employers, the wage and benefits ranges of jobs within green economy industries, and the education and training requirements of entry-level and incumbent workers in those industries. Based on the survey, the ESD will propose which industries will be considered high-demand green industries. The University of Washington Business and Economic Development Center must analyze and report back to the Legislature on the current opportunities for and participation in the green economy by minority and women-owned business enterprises in Washington. The report will also identify existing barriers to minority and women-owned business enterprises successful participation in the green economy, and develop strategies with specific policy recommendations to improve their successful participation in the green economy.

A new account, the Green Industries Job Training Account (Account), is created in the state treasury. Monies from the Account must be utilized to supplement the state opportunity grant program. All receipts from appropriations must be deposited into the Account. Expenditures may be used only as grants, distributed on a competitive basis, for the purpose of: (1) training

workers for high-wage occupations in high-demand industries related to the green economy; and (2) educational purposes related to the green economy.

In order to distribute grants for training workers for high-wage occupations in high-demand industries related to the green economy, the SWTECB must create and pilot green industry skill panels consisting of business representatives, labor unions, state and local veterans agencies, employer associations, educational institutions, local workforce development councils, and any other key stakeholders. The panel must conduct labor market and industry analyses, plan strategies to meet recruitment and training needs, and leverage and align other public and private funding sources.

The State Board for Community and Technical Colleges may distribute grants for educational purposes related to the green economy. The grants from the Account may be used for certain purposes when other public or private funds are insufficient or unavailable. Allowable uses include: (1) curriculum development; (2) transitional jobs strategies for dislocated workers in declining industries; (3) workforce education; and (4) adult basic and remedial education.

Organizations eligible to receive grants from the Account must demonstrate expertise in implementing effective education and training programs that meet industry demand and in recruiting and supporting the target workers.

Targeted workers include: (1) entry-level or incumbent workers preparing for high-wage occupations; (2) dislocated workers in declining industries; (3) dislocated agriculture, timber or energy workers in declining industries; (4) eligible veterans or National Guard members; (5) disadvantaged populations; and (6) anyone eligible to participate in the opportunity grant program.

Priority will be given to organizations that:

- use labor market and industry analyses developed by the ESD and the green industry skill panels in the design and delivery of their program;
- leverage and align existing resources and public programs and for recruiting, supporting, educating, and training target workers;
- work collaboratively with other relevant stakeholders in the regional economy;
- link adult basic and remedial education with occupation skills training;
- involve employers and labor unions in the determination of relevant skills and competencies; and
- ensure that supportive services, integrated with education and training, are delivered by organizations with direct access to the targeted workers.

Votes on Final Passage:

House	64	31
Senate	29	19

Effective: June 12, 2008

E2SHB 2817

C 201 L 08

Concerning contaminated motor vehicles, vehicles, and vessels.

By House Committee on Transportation (originally sponsored by Representatives Campbell, Green, Morrell, Hudgins and McCune).

House Select Committee on Environmental Health
House Committee on Transportation
Senate Committee on Water, Energy & Telecommunications
Senate Committee on Transportation

Background: Hazardous chemicals associated with the illegal manufacture of controlled substances can contaminate vehicles, motor vehicles, and vessels. Vehicles and vessels are not required to be identified as contaminated when offered for sale, including vehicles sold at public auction under towing and impoundment statutes. When a vehicle or vessel is sold and used without decontamination, individuals that come in contact with the vehicle or vessel can be harmed by the chemical residue.

Law enforcement agencies are required to notify local health officers when they become aware that a property (including a boat, motor vehicle, or trailer) has been contaminated with hazardous chemicals used to manufacture illegal drugs. Local health officers must post notices of contamination, inspect property, and report all cases of contaminated property to the Department of Health (DOH). If, after inspection, a local health officer finds a property is contaminated, then the local health officer must issue an order declaring the property unfit and prohibiting its use due to immediate or long-term safety hazards.

An owner of contaminated property is responsible for the costs to have the property decontaminated, demolished, or disposed of and must use the services of a contractor who is certified by the DOH to perform the service unless otherwise authorized by the local health officer. A city or county may also process contaminated property through the use of an authorized contractor.

Summary:

After a local health officer has issued an order declaring a vehicle or vessel unfit and prohibiting its use due to contamination by hazardous chemicals, the city or county in which the property is located must prohibit its use, occupancy, or removal, and require demolition, disposal, or decontamination. The city, county, or local law enforcement agency may impound the vehicle or vessel.

The owner of a contaminated vehicle or vessel must have the property demolished, disposed of, or decontaminated by an authorized contractor, or under a written work plan approved by the local health officer within 30 days of receiving an order declaring the property unfit and prohibited from use. After all procedures granting

the right of notice and the opportunity to appeal have been exhausted, if the property owner has not acted, then the local health officer or the local law enforcement agency may demolish, dispose of, or decontaminate the property. If the local health officer or local law enforcement agency has taken responsibility for demolition, disposal, or decontamination, then all rights, title, and interest in the property are forfeited to the local health jurisdiction or the local law enforcement agency.

The property owner is responsible for the costs of the property's demolition, disposal, or decontamination, as well as all costs incurred by the local health officer or the local law enforcement agency, except:

- the legal owner of a vehicle or a vessel whose sole basis of ownership is a bona fide security interest is responsible for costs only if the legal owner had knowledge of or consented to any act or omission that caused contamination of the vehicle or vessel; and
- if the vehicle or vessel has been stolen and the property owner neither had knowledge of nor consented to any act or omission that contributed to the theft and subsequent contamination of the vehicle or vessel, the owner is not responsible for costs, except:
 - (1) if the registered owner is insured, the registered owner must, within 15 calendar days of receiving an order declaring the property unfit and prohibiting its use, submit a claim to his or her insurer for reimbursement of costs; and
 - (2) must provide proof of claim to the local health officer or the local law enforcement agency.

The Department of Licensing must place notification on the title of contaminated vehicles and vessels declared unfit and prohibited from use by order of the local health officer. The Department of Licensing must also place notification on the title when vehicles or vessels have been decontaminated and released for reuse.

A person is guilty of a gross misdemeanor if he or she advertises for sale or sells a contaminated vehicle or vessel that has been declared unfit and prohibited from use by the local health officer when:

- the person has knowledge that the local health officer has issued an order declaring the vehicle or vessel unfit and prohibiting its use; or
- a notification has been placed on the title that the vehicle or vessel is contaminated.

A person may advertise for sale or sell a vehicle or vessel after a release for reuse document has been issued by the local health officer or a notification has been placed on the title that the vehicle or vessel has been decontaminated and released for reuse.

A tow operator who contracts with a law enforcement agency for transporting an impounded vehicle must only remove a contaminated vehicle to a secure public facility and is not required to store or dispose of the vehicle. The vehicle must remain in the care, custody, and

control of the law enforcement agency to be demolished, disposed of, or decontaminated. The law enforcement agency must pay for all costs incurred as a result of the towing if the vehicle owner does not pay within 30 days. The law enforcement agency may seek reimbursement from the owner.

If funding is not provided for the purposes of the bill, the bill becomes null and void.

Votes on Final Passage:

House	94	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

2SHB 2822

C 279 L 08

Concerning the family and juvenile court improvement program.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Walsh, Lantz, Dickerson, Haler, Sullivan, Seaquist and Kenney).

House Committee on Judiciary
House Committee on Appropriations
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Superior courts have jurisdiction over family law proceedings, such as dissolutions, parenting plans, child custody, child support orders, paternity, and adoption. In counties with more than one superior court judge, the court designates one or more of the judges to hear all family law proceedings. Each superior court sets the terms of rotation for its family law judges.

Juvenile court, which is a statutorily created division of superior court, hears cases involving juvenile offenses and infractions, dependencies, termination of parental rights, family reconciliation (such as at-risk youth petitions), out-of-home placements, interstate compact on juveniles, and emancipation of minors.

Unified Family Court (UFC) is a model for handling cases involving children and families. The five principles of the UFC are: (1) the assignment of one judicial team to one family; (2) centralized case management; (3) specialized education for judicial officers; (4) longer-term judicial assignments to provide continuity for families; and (5) mandatory mediation in certain cases.

The Superior Court Judges' Association and the Board for Judicial Administration (BJA) have adopted the UFC principles as best practices. In 1999 the Legislature created a pilot program for three counties to implement the UFC, and other counties have, on their own, implemented the UFC principles.

In 2007 the BJA created a Family and Juvenile Court Improvement Workgroup (workgroup). The workgroup

developed a plan that suggests the creation of a grant program to encourage and fund improvements to local family and juvenile court operations.

Summary: A Family and Juvenile Court Improvement Grant Program is created, to be administered by the Administrative Office of the Courts (AOC). A superior court may apply for grants from the program by submitting a local improvement plan to the AOC.

To be eligible for grant money, the court's plan must meet criteria developed by the AOC and approved by the BJA. The AOC criteria must be consistent with the UFC principles. In addition, the court's plan must: (1) commit to a chief judge assignment to the family and juvenile court for a minimum of two years; (2) implement the principal of one judicial team hearing all of the proceedings in a case involving one family, especially in dependency cases; and (3) require court commissioners and judges assigned to family and juvenile court to receive a minimum of 30 hours specialized training in topics related to family and juvenile law within six months of assuming duties on the family and juvenile court. Courts should try to utilize local, statewide, and national training forums. A judicial officer's educational history may be applied toward the 30-hour requirement.

Topics for training must include: (1) parentage; (2) adoption; (3) domestic relations; (4) dependencies and terminations; (5) child development; (6) the impact of child abuse and neglect; (7) domestic violence; (8) substance abuse; (9) mental health; (10) juvenile status offenses; (11) juvenile offenders; (12) self-representation issues; (13) cultural competency; and (14) roles of judges and commissioners.

Courts must use grant funds to improve and support family and juvenile court operations based on standards developed by the AOC and approved by the BJA. Allowable uses include: paying for required training; increasing staff, such as case coordinators; improving court facilities to meet the needs of children and families; enhancing court facilitator programs; and expanding access to social services for families.

The AOC must allocate available grant moneys based on the needs of the courts as expressed in their local plans. Upon receipt of a grant, the superior court must submit a spending plan to the AOC detailing the use of funds. At the end of the fiscal year, the superior court must submit a report to the AOC comparing the spending plan to actual expenditures. The AOC must compile the reports and submit them to the Legislature.

Votes on Final Passage:

House	95	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

SHB 2823
C 202 L 08

Regarding the Willapa harbor oyster reserve.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake and Kretz).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Revenues from the lease of land or sale of shellfish from oyster reserve lands are deposited into the Oyster Reserve Land Account. Forty percent of the funds are used for the management expenses of the oyster reserve lands incurred by the Washington Department of Fish and Wildlife (WDFW) and the expenses associated with new research and development on the control of aquatic nuisance species and burrowing shrimp. Up to 10 percent of the funds from the Oyster Reserve Land Account are deposited into the State General Fund. The remainder is deposited into the On-Site Sewage Grant Program.

Each year, the WDFW transfers \$100,000 from the revenues from the Willapa Harbor Oyster Reserve to the On-Site Sewage Grant Program. All remaining revenues are used for WDFW management of oyster reserve lands and new research and development on the control of aquatic nuisance species and burrowing shrimp.

The Department of Health (DOH) manages the On-Site Sewage Grant program in Puget Sound, as well as in Pacific and Grays Harbor counties. The DOH provides funds to the local health jurisdictions to use as grants or loans to individuals to improve their on-site sewage systems. The funds are provided only in areas that have the potential to adversely affect water quality in commercial and recreational shellfish growing areas.

Summary: The WDFW must transfer funds from the Oyster Reserve Land Account to the local governments in Pacific and Grays Harbor counties and Puget Sound to manage their On-Site Sewage Grant Program. Local governments, in consultation with the DOH, must use the funds as grants or loans to individuals for repairing or improving their on-site sewage systems.

The WDFW must transfer up to 50 percent of the annual revenues generated in the previous year from the Willapa Harbor Oyster Reserve to the On-Site Sewage Grant Program, as necessary to achieve a fund balance of \$100,000.

Votes on Final Passage:

House	86	1
Senate	45	0

Effective: June 12, 2008

HB 2825
C 64 L 08

Allowing certain alcohol permit holders to obtain alcohol in nonbeverage form directly from suppliers.

By Representatives Conway, Condotta and Armstrong.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: The Liquor Control Board (Board) issues permits for specific limited purposes. A class one permit allows physicians, dentists, and persons in charge of a hospital or sanitarium to purchase liquor. A class two permit allows a person engaged in the mechanical or manufacturing business or in scientific pursuits requiring alcohol to purchase liquor. The liquor for these purposes is typically nonbeverage spirits and must be purchased from the Board.

Two other permits allow the purchase of alcohol directly from a supplier. Manufacturers of confections or food products who use liquor in their products and druggists who use liquor in prescriptions may purchase liquor directly from a supplier.

Summary: Persons with class one or two liquor permits may purchase nonbeverage liquor directly from a supplier and are not required to purchase the liquor from the Board.

Votes on Final Passage:

House	95	0
Senate	49	0

Effective: June 12, 2008

HB 2835
PARTIAL VETO
C 232 L 08

Requiring federal name-based criminal history record checks when a child is placed in out-of-home care in an emergency situation.

By Representatives Kagi, Roberts, Loomis, Morrell, Kenney and Haigh; by request of Department of Social and Health Services.

House Committee on Early Learning & Children's Services
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Whenever a child is placed in out-of-home care by the Department of Social and Health Services (DSHS), federal and state laws require fingerprint-based background checks be completed on all potential caretakers in the home. In exigent circumstances, such as in the middle of the night, the DSHS Children's Administration (CA) completes an initial background

check of potential caregivers using name and date-of-birth, followed by a comprehensive fingerprint-based background check, which must be completed within 14 days.

Federal rules allow for the delayed completion of mandatory fingerprint-based background checks in exigent circumstances, but only if state statute also allows for the delayed submission of fingerprints. In July 2007 the Federal Bureau of Investigation (FBI) granted Washington temporary authority to utilize the delayed submission of fingerprints rule, conditioned on Washington's adoption of a state law allowing for the same process. The temporary authority granted by the FBI expires in March 2008.

Summary: When the CA must place a child in out-of-home care in an emergency situation, the CA must complete a name and date-of-birth background check on all potential caregivers in the home. Within 14 days of receiving the results of the name and date-of-birth check, the CA must submit a full set of each caregiver's fingerprints to the Washington State Patrol (WSP) for completion of the comprehensive background check. If any adult in the home refuses to provide fingerprints or permission to perform the comprehensive background check, the CA must immediately remove the child from the home.

If, based on the initial name and date-of-birth background check, a potential caregiver is disqualified as a placement resource, the potential caregiver may contest the denial by submitting to the CA a full set of fingerprints for purposes of completing a comprehensive background check.

A definition of "emergency placement" is established to include those limited circumstances when a child is placed in the home of an unlicensed caregiver, including a neighbor, friend, or relative, as a result of a sudden unavailability of the child's primary caregiver.

When processing a foster parent license application, the CA must inquire whether the applicant has resided in another state or foreign country, and if so, the CA must check databases available through the WSP and the FBI for information regarding civil findings or criminal convictions bearing on the fitness of the applicant for a foster parent license.

Votes on Final Passage:

House	96	0	
Senate	49	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 12, 2008

Partial Veto Summary: The Governor vetoed the section creating an emergency and providing that the bill take effect immediately.

VETO MESSAGE ON HB 2835

March 28, 2008

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 4, House Bill 2835 entitled:

"AN ACT Relating to requiring federal name-based criminal history record checks when a child is placed in out-of-home care in an emergency situation."

Section 4 is an emergency clause providing the bill with an immediate effective date. The Federal Bureau of Investigation has notified the State that it will extend provisional access to its name/descriptor criminal background check database until this bill takes effect. An emergency clause is therefore unnecessary.

For this reason, I have vetoed Section 4 of House Bill 2835.

With the exception of Section 4, House Bill 2835 is approved.

Respectfully submitted,



Christine Gregoire
Governor

E2SHB 2844

PARTIAL VETO

C 299 L 08

Regarding urban forestry.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Priest, Upthegrove, Campbell, Simpson, Hunt, Blake, Jarrett, Nelson, Rolfes, Dickerson, Appleton, Takko, Loomis, Lantz, Pettigrew, Hunter, Moeller, Hudgins, Quall, O'Brien, Anderson, Kenney, Pedersen, McIntire and Roberts).

House Committee on Ecology & Parks
House Committee on Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

Background: Urban Forestry. The Department of Natural Resources (DNR) is authorized to establish a community and urban forestry program. Community and urban forests are identified as land within human settlements that does, or could, support trees. The program authorized at the DNR may include assistance to local governments to encourage proper tree maintenance, policy and program coordination assistance, and the provision of surplus equipment to local governments to aid urban forestry programs.

The DNR is also authorized to enter into agreements with non-profit tree planting organizations and other entities with interests related to urban forestry. Funding may be received by the DNR from the federal government or by gifts and grants, and the DNR may charge fees for workshops and material distribution. Once

received, the DNR utilizes the funding for the purposes of forwarding urban and community forestry in the state.

Urban Forestry and Utilities. Many utility companies provide information to their customers regarding how landscaping and tree planting can reduce energy costs and improve utility safety. Utility companies also have received past legislative encouragement to request voluntary donations from their customers, in the form of a billing statement check-off, that would fund urban forestry efforts.

Summary: Evergreen Communities Recognition Program. Cities and counties are authorized to pursue recognition as an Evergreen Community. There can be multiple gradations of Evergreen Communities, and the Department of Community, Trade and Economic Development (DCTED) is responsible for identifying the criteria necessary for each gradation. Criteria for becoming an Evergreen Community includes developing a community forestry program, recognizing Arbor Day, and completing a forest inventory. The application process for becoming an Evergreen Community is managed through an existing DNR urban forestry recognition program.

Designated Evergreen Communities are entitled to use logos and signage developed for that purpose by the DCTED. In addition, Evergreen Communities are entitled to a competitive advantage for certain state grant programs benefitting local governments. These programs include grants for public works projects, water pollution control facilities, water quality, habitat improvements, and aquatic lands enhancement.

Evergreen Community Management Plans. Cities and counties pursuing designation as an Evergreen Community are required to adopt an Evergreen Community Urban Forestry Management Plan (Management Plan). The Management Plans developed by local governments are required to be based on urban forest inventories. The inventories may be developed by the local government, or the local government may rely on inventories developed by the DNR.

The DCTED must develop a model Management Plan for cities to consider. There are 16 elements presented for consideration in the model Management Plan. These elements address issues such as: pest management, prioritization of planting sites, staff training requirements, canopy cover goals, stormwater management improvements, and plans for maximizing building energy efficiency. The model Management Plans must contain measurable goals and timelines and recognize eco-regional differences in the state.

Once developed, a local government's Management Plan may not be implemented until it has been reviewed by the DCTED. The Management Plan must be submitted to the DCTED for review and comment at least 60 days before its planned implementation date. The DCTED and the DNR are both required to review all proposed Management Plans and focus on a plan's

consistency with the model Management Plan. The DCTED and the DNR are also authorized to offer technical assistance in the Management Plan adoption process. In addition to the DCTED and the DNR, communities located adjacent to Puget Sound must submit their management plans to the Department of Fish and Wildlife and the Puget Sound Partnership.

Evergreen Community Ordinances. The process of becoming recognized as an Evergreen Community also requires cities and counties to adopt an Evergreen Community Ordinance. In addition to a model Management Plan, the DCTED is also required to develop a model Evergreen Community Ordinance for consideration. The model ordinance development process is required to consider at least 12 elements. Topics that must be included in the model Evergreen Community Ordinance include: tree conservation and retention, tree spacing, use of native trees to reduce storm water runoff, use and protection of native soils, promotion of tree maintenance to promote utility safety, street tree installation, and riparian tree buffers. The Evergreen Community Ordinances may also include a mechanism for civil enforcement, hardship waivers, and appeal procedures.

Like Management Plans, Evergreen Community Ordinances must also be submitted for review by the DCTED and the DNR. The same direction given to the departments for Management Plans apply to Evergreen Community Ordinances. The Evergreen Community Ordinances and their predecessor Management Plans do not apply to working agriculture and forestry land until that land is converted into new development.

Role of Counties. Like cities, counties are also eligible for Evergreen Community designation. A county may adopt its own Evergreen Community Ordinance and apply that ordinance to new development within its jurisdiction. As an alternative, a city may request that a county apply its Evergreen Community Ordinance to new development within its Urban Growth Area.

Identification of Lands for Purchase. Cities pursuing Evergreen Community designation are encouraged to identify potential land that can be purchased from willing sellers that, due to the urban trees on the land, are appropriately situated for public purchase. The list of potential land purchases must be provided to the DCTED by October 31, 2008, and a summary of those reports provided for the Legislature by the DCTED in December 2008.

Evergreen Communities Partnership Task Force. The DCTED is required to assemble an Evergreen Communities Partnership Task Force (Task Force) that will, in its primary role, aid and advise the DCTED in its responsibilities as they relate to urban forestry. The Task Force may be disbanded by the DCTED after it has advised on the development of model Management Plans and Evergreen Community Ordinances and provided a

similar service to the DNR on its development of urban forestry assessments.

The Task Force is to have up to 25 members that must be selected in consultation with the DNR and provide balanced representation from across the state's eco-regions. There are 19 required stakeholder and government representatives on the Task Force, and the Task Force may be assembled in a way that allows an individual to represent more than one perspective. The required perspectives include that of cities, counties, land developers, conservation organizations, the state and federal governments, university professors, tree nurseries, foresters, utilities, and technology specialists.

Members of the Task Force must serve without compensation, but may be reimbursed for travel expenses.

Funds for Local Governments. The DCTED is instructed to implement the Evergreen Communities Grant Program (Grant Program). The Grant Program must be administered by the DCTED in coordination with the DNR and have both needs-based and competitive elements. Grants from the Grant Program may be awarded to local governments in full compliance with the required Management Plans and Evergreen Community Ordinance, or to local governments that state an intent to become Evergreen Communities. In addition, recipient local governments must be able to show that they have developed partnerships with local not-for-profit organizations. Funding for the Grant Program must come from direct budget appropriations.

Cities may also receive money from their local utilities to fund urban forestry projects. The existing authorization for billing statement check-offs that utilities are encouraged to use for urban forestry donations is expanded. If a utility chooses to request voluntary donations from its customers, the money may be used one of two ways. It may be used by the utility to complete projects consistent with the model Management Plans developed by DCTED, or it may be used to support the development of Management Plans and Evergreen Community Ordinances for cities within the utility's service area.

Changes at the Department of Natural Resources. The DNR is directed, subject to appropriations, to conduct a statewide inventory of community and urban forests, conduct an urban forest assessment, and develop an implementation plan for the inventory and assessment of community and urban forests. The DNR is directed to participate with appropriate stakeholders in the development of these products. An initial assessment and inventory of two counties must be completed by no later than June 1, 2010.

The uniform criteria for the assessment must be developed by the DNR with the advice of the Task Force. The inventory must be developed with the aid of a technical advisory committee appointed by the Commissioner of Public Lands (Commissioner).

Votes on Final Passage:

House	73	22	
Senate	31	18	(Senate amended)
House	68	26	(House concurred)

Effective: June 12, 2008

Partial Veto Summary: Removes the intent section.

VETO MESSAGE ON E2SHB 2844

April 1, 2008

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning, without my approval as to Section 1, Engrossed Second Substitute House Bill 2844 entitled:

“AN ACT Relating to preventing air and water pollution through urban forestry partnerships.”

Section 1 is an unnecessarily prescriptive and detailed intent section. For this reason, I have vetoed Section 1 of Engrossed Second Substitute House Bill 2844

I must note that the legislative budget only partially funds this bill. The Department of Community Trade and Economic Development (CTED) received funds for developing the Evergreen Communities grant program, model ordinances and plans. The Department of Natural Resources (DNR) is partially funded to provide CTED with technical expertise, to develop an urban forest inventory implementation plan, and to conduct two pilot inventories.

The highest priorities for these limited dollars are for DNR to (1) provide technical expertise to CTED and local governments, (2) develop the urban forest inventory implementation plan -- focusing on the use of existing data and current inventory technologies, and (3) then to begin the pilot projects.

Conducting the community and urban forest inventories statewide is premature until DNR develops and tests an efficient inventory process. Funding for subsequent inventories should be considered as a separate policy decision in the future.

With the exception of Section 1, Engrossed Second Substitute House Bill 2844 is approved.

Respectfully submitted,



Christine Gregoire
Governor

ESHB 2847

C 92 L 08

Creating a sales and use tax exemption of materials and services used in the weatherization assistance program.

By House Committee on Finance (originally sponsored by Representatives Ormsby, Schindler, Barlow, Simpson, Springer, Wood and Santos).

House Committee on Finance
Senate Committee on Ways & Means

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. Use taxes apply to the value of most tangible personal property and some

services when used in this state, if retail sales taxes were not collected when the property or services were acquired by the user. Use tax rates are the same as retail sales tax rates. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 2.4 percent, depending on the location. The average local tax rate is 2.0, for an average combined state and local tax rate of 8.5 percent.

The federal Department of Energy (DOE) operates the Weatherization Assistance Program (WAP) to assist low-income families who lack resources to invest in energy efficiency. The WAP was created in 1976. The WAP is operated in all 50 states. The funds provided by the U.S. Congress, through the DOE, are used to improve the energy efficiency of dwellings of low-income owners. The DOE distributes money to the states. In Washington, the Department of Community, Trade and Economic Development (DCTED) administers the program. The DCTED, in turn, contracts with local governmental or nonprofit agencies to deliver weatherization services to low-income clients in their areas.

Typical weatherization measures include: installing insulation in walls, floors, and attics; reducing air infiltration and pressure imbalances; sealing and repairing ducts; and tuning and repairing heating and cooling units. Most of the services and materials related to weatherizing a home are subject to sales and use taxes.

Summary: Tangible personal property used in the weatherization of residences under the Washington Weatherization Assistance Program is exempt from sales and use tax.

Votes on Final Passage:

House	94	1
Senate	49	0

Effective: June 12, 2008

SHB 2858
C 233 L 08

Expanding metal property provisions.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Morrell, Warnick, Campbell, Hurst, Newhouse, O'Brien, Green, Kelley and Conway).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: In 2007 a law was enacted that established new requirements for transactions between a scrap metal business and a member of the general public. Specific record keeping requirements for transactions involving non-ferrous metal property were established and such records were to be maintained for one year. The records that must be kept are:

- the signature of the person with whom the transaction is made;
- the time, date, location, and value of the transaction;
- the name of the employee representing the scrap metal business in the transaction;
- the name, street address, and telephone number of the person with whom the transaction is made;
- the license plate number and state of issuance of the license plate on the motor vehicle used to deliver the non-ferrous metal property;
- a description of the motor vehicle;
- the current driver's license number or other identification card number of the seller or a copy of the identification; and
- a description of the predominant types of non-ferrous metal property subject to the transaction, including the property's classification code.

A declaration requirement is also created for transactions involving non-ferrous metal property. The person selling the property must sign a declaration that the property is not stolen. A statement included on a receipt is sufficient to meet this requirement. An employee of the scrap metal business must witness the signing and dating of the declaration and sign the declaration.

The required records and the declaration must be open to inspection by law enforcement at all times during the ordinary hours of business, or at reasonable times if ordinary hours of business are not kept.

A scrap metal business is prohibited from entering into a transaction to purchase or receive non-ferrous metal property unless the person can produce government-issued picture identification, including a valid driver's license or identification card issued by any state.

"Non-ferrous metal property" means metal property for which the value of the metal property is derived from the property's content of copper, brass, aluminum, bronze, lead, zinc, nickel, and their alloys.

Commercial Metal Property. Specific requirements are also required when scrap metal businesses purchase or receive commercial metal property. No scrap metal business may purchase or receive commercial metal property unless the seller:

- has a commercial account with the scrap metal business;
- can prove ownership of the property by producing written documentation that the seller is the owner of the property; or
- can produce written documentation that the seller is an employee or agent authorized to sell the property on behalf of a commercial enterprise.

To establish a commercial account with a commercial enterprise, a scrap metal business must keep records with the commercial enterprise. The record must contain the name of the commercial enterprise, the business address and telephone number of the commercial enterprise, the full name of the person employed by the

commercial enterprise who is authorized to designate an employee or agent to deliver metal property and commercial metal property, and a record of every purchase or receipt of metal property and commercial metal property from the commercial enterprise.

Commercial metal property means: utility access covers; street light poles and fixtures; road and bridge guardrails; highway or street signs; water meter covers; traffic directional and control signs; traffic light signals; any metal property marked with the name of a commercial enterprise, including but not limited to a telephone, commercial mobile radio services, cable, electric, water, natural gas, or other utility, or railroad; unused or undamaged building construction materials consisting of copper pipe, tubing, or wiring, or aluminum wire, siding, down spouts, or gutters; aluminum or stainless steel fence panels; aluminum decking, bleachers, or risers; historical markers; statue plaques; grave markers and funeral vases; and agricultural irrigation wheels, sprinkler heads, and pipes.

Cash Transaction Requirements. Transactions involving non-ferrous metal property valued at greater than \$30 may not be made in cash or to anyone who does not provide a street address. Payment must be by non-transferable check no earlier than 10 days after the transaction.

Requests from Law Enforcement. If requested by law enforcement, a scrap metal business must provide records of the purchase or receipt of non-ferrous metal property and commercial metal property involving a specific individual, vehicle, or item of non-ferrous metal property or commercial metal property. The information must be transmitted within a specified time of not less than two business days. The information may be transmitted electronically, by fax, by computer, or by delivery of a computer disk subject to approval by law enforcement.

If the scrap metal business has good cause to believe that non-ferrous metal property or commercial metal property in his or her possession is lost or stolen, the scrap metal business must report to law enforcement.

Preserving Evidence of Metal Theft. After notice from law enforcement that an item of non-ferrous metal property or commercial metal property has been reported as stolen, a scrap metal business must tag and hold that property for a period of time directed by law enforcement up to a maximum of 10 business days.

Law enforcement is prohibited from placing a hold unless law enforcement reasonably suspects that the property is a lost or stolen item and any hold may be removed within 10 business days.

Criminal Penalties. It is a gross misdemeanor:

- to deliberately remove, alter, or obliterate any manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon an item of non-ferrous metal property

or commercial metal property to deceive a scrap metal business;

- to purchase or receive any non-ferrous metal property or commercial metal property where the manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon the property have been deliberately and conspicuously removed, altered, or obliterated;
- to knowingly make, cause, or allow to be made any false entry or misstatement of any material matter in any required book, record, or writing required to be kept;
- to enter into a transaction to purchase or receive metal property from any person under the age of 18 years or any person who is discernibly under the influence of intoxicating liquor or drugs;
- to enter into a transaction to purchase or receive metal property with anyone whom the scrap business has been informed by a law enforcement agency to have been convicted of a crime involving drugs, burglary, robbery, theft, or possession of or receiving stolen property, manufacturing, delivering, or possessing with intent to deliver methamphetamine, or possession of ephedrine or any of its salts or isomers or salts of isomers, pseudoephedrine or any of its salts or isomers or salts of isomers, or anhydrous ammonia with intent to manufacture methamphetamine within the past 10 years whether the person is acting in his or her own behalf or as the agent of another;
- to sign the required declaration knowing that the non-ferrous metal property subject to the transaction is stolen;
- to possess commercial metal property that was not lawfully purchased or received; or
- to engage in a series of transactions valued at less than \$30 with the same seller to avoid the cash payment limitations.

Civil Penalties. Any other violation of the requirements is punishable by a fine of not more than \$1,000 for a first conviction and \$2,000 for subsequent convictions within two years of the first violation.

Exemptions. The following entities are exempt from all of the requirements that apply to scrap metal businesses: licensed motor vehicle dealers, licensed vehicle wreckers or hulk haulers, persons in the business of operating an automotive repair facility, and persons in the business of buying or selling empty food and beverage containers, including metal food and beverage containers.

Summary: A new category of metal property is created called private metal property. Private metal property is defined as catalytic converters, either singly or in bundles, bales, or bulk, that have been removed from vehicles for sale as a specific commodity.

Scrap metal businesses entering into a transaction to purchase or receive private metal property from a member of the general public or a commercial enterprise are subject to the same record keeping requirements and penalties as those required for transactions involving non-ferrous metal property and commercial metal property. The records that must be kept include but are not limited to: the name, date, and signature of the person with whom the transaction is made; the time, date, location, and value of the transaction; the name of the employee representing the scrap metal business in the transaction; the vehicle and license plate number of the vehicle used to deliver the private metal property; and a description of the property being purchased or received.

No scrap metal business may purchase or receive private metal property from a commercial enterprise unless that enterprise has a commercial account with the scrap metal business.

All required records must be open and available to law enforcement upon request. After notice from law enforcement that private metal property has been reported as stolen, a scrap metal business must tag and hold that property for the statutory maximum of time as directed by law enforcement.

Transactions involving private metal property valued at greater than \$30 may not be made in cash or to anyone who does not provide a street address. Similar to payments made for non-ferrous metal property, payment must be by non-transferable check no earlier than 10 days after the transaction.

Vehicle wreckers and hulk haulers that obtain metal from the components of vehicles are exempt from all of the reporting requirements that apply to scrap metal dealers and scrap metal processors.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 12, 2008

SHB 2859
C 25 L 08

Establishing new requirements for licensing massage therapists.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Williams, Hinkle, Moeller and Green).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: To practice massage therapy, a person must be licensed by the Department of Health (DOH). The practice of massage therapy is a health care service involving the external manipulation or pressure of soft tissues for therapeutic purposes. The practice is regulated under rules adopted by the Washington State Board of Massage (Board) and approved by the Secretary of the DOH.

An applicant for a license must successfully complete a course of study in an approved program, successfully complete an examination, and be 18 years of age or older.

Under Board rules, a massage therapist must complete 16 hours of continuing education every two years.

Summary: Continuing Education Requirement. Renewal of a massage practitioner's license requires, in addition to other requirements, completion of continuing education requirements, as established and administered by the Board.

Inactive Credential. The Secretary of the DOH must grant an inactive credential to a massage practitioner if the practitioner submits a letter to the Board stating the intent to obtain an inactive credential and the practitioner holds an active license in good standing and does not practice massage in Washington.

A massage practitioner's inactive credential may be reinstated if the practitioner meets the Board's reinstatement requirements, pays the renewal fee, and provides a written declaration that: (1) no action has been taken by a state or federal jurisdiction or a hospital that would restrict the practitioner's practice, (2) he or she has not voluntarily given up a credential to avoid sanctions, and (3) he or she has satisfied continuing education and competency requirements for the most recent two years.

Votes on Final Passage:

House	93	0
Senate	45	1

Effective: July 1, 2009

2SHB 2870
C 65 L 08

Providing opportunities for professional development for instructional assistants.

By House Committee on Appropriations (originally sponsored by Representatives Liias, Sullivan, Ericks, Williams, Loomis, Simpson, Ormsby, Miloscia, Hasegawa, Roberts, Santos, Quall and Nelson).

House Committee on Education
House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: In the 1999-01 biennium, the Legislature consolidated professional development funds from a variety of sources and provided funding specifically for Summer Accountability Institutes (Summer Institutes) to be organized by the Office of the Superintendent of Public Instruction (OSPI). The Summer Institutes are intended to provide school district staff with training in assessment, data analysis, successful teaching models, research on curriculum and instruction, and planning tools to improve instruction.

In recent years, the Summer Institutes have become five-day conferences held at three locations across the state with attendance of 800 to 1,000 teachers and staff at each conference. There is also a three-day January Conference, usually in Spokane. Each conference has strands of presentations focused on a particular theme or target audience.

Summary: The OSPI, in consultation with various groups representing classified school employees, must develop and offer a training strand through the Summer Institutes and the January Conference that is targeted to classified instructional assistants and designed to help them maximize their effectiveness in improving student achievement.

Votes on Final Passage:

House	95	0
Senate	47	2

Effective: June 12, 2008

ESHB 2878
PARTIAL VETO
C 121 L 08

Making 2008 transportation supplemental appropriations.

By House Committee on Transportation (originally sponsored by Representative Clibborn; by request of Office of Financial Management).

House Committee on Transportation
Senate Committee on Transportation

Background: The operating and capital expenses of state transportation agencies and programs are funded on a biennial basis by an omnibus transportation budget adopted by the Legislature in odd-numbered years. Additionally, supplemental budgets may be adopted during the biennium making various modifications to agency appropriations. The Transportation Budget (Budget) provides appropriations to the major transportation agencies including: the Department of Transportation, the Washington State Patrol, the Department of Licensing, the Washington Traffic Safety Commission, the Transportation Improvement Board, the County Road Administration Board, and the Freight Mobility

Strategic Investment Board. The Budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Summary: Appropriations are adjusted for state transportation agencies and programs for the 2007-09 fiscal biennium. The \$7.6 billion appropriation for operating programs and capital projects is decreased by \$129 million.

Votes on Final Passage:

House	66	25	
Senate	39	10	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	45	4
House	67	28

Effective: March 25, 2008

Partial Veto Summary: The Governor vetoed several sections of the Transportation budget including a provision directing the Office of Financial Management to work with the Legislature to ensure future budget proposals reflect performance excellence and earned value measures; requirements for the Transportation Commission and the Washington Department of Transportation (WSDOT) to submit cost reduction proposals for tolling; requirements for the WSDOT's Ferry Program to implement a car-sharing program; requirements for the WSDOT to conduct a complete valuation of the state highway system; and technical changes to bond authorizations and transfers.

VETO MESSAGE ON ESHB 2878

March 25, 2008

*To the Honorable Speaker and Members,
The House of Representatives of the State of Washington*

Ladies and Gentlemen:

I am returning, without my approval as to Sections 102(6), 206(6), 212(2), 224(12), 224(14), 306(16), 306(17), 407(12), and 602, Engrossed Substitute House Bill 2878 entitled:

“AN ACT Relating to transportation funding and appropriations.”

Section 102(6), page 3, Office of Financial Management -- Development of Future Budget Proposals

I share the Legislature's expectation that the Office of Financial Management will work with the Legislature so that future budget proposals reflect criteria for performance excellence, include measures of earned value, and are aligned with the state's transportation goals. Even though I am vetoing Section 102(6), I direct the Office of Financial Management to continue its work with the Legislature and the state's transportation agencies to align budget proposals with the state's transportation goals and performance measure.

Section 206(6), page 10, Transportation Commission -- Cost Reductions for Toll Operations

I appreciate the need to carefully control the costs associated with tolling so we will have efficient and effective tolling operations. Accountability regarding the use of toll revenue is essential. This proviso requires the Transportation Commission -- not the Department of Transportation -- to develop benchmarks and recommendations to reduce and control tolling operation costs. The Transportation Commission's role is to establish toll rates

while the Department of Transportation's role is to evaluate and direct operations.

Although I am vetoing Section 206(6), the Office of Financial Management will work with the Department of Transportation, the Transportation Commission and others to evaluate toll operating costs on the Tacoma Narrows Bridge and SR 167 in comparison to other tolled facilities across the country to develop toll operating cost benchmarks. In addition, tolling operations issues will be examined in future Government Management Accountability & Performance sessions.

Section 212(2), page 18, Washington State Department of Transportation -- Cost Reductions for Toll Operations

The proviso requires the Department of Transportation to develop incentives to reduce and control tolling operations costs, and to provide a report to the Transportation Commission. As a cabinet agency, the department is accountable to the Governor and it is not the role of the Transportation Commission to evaluate and direct the department's operations.

Although I am vetoing Section 212(2), the Department of Transportation will provide a report on incentives to reduce toll operating costs to the Office of Financial Management and the Legislature by December 1, 2008.

Section 224(12), pages 38-39, Washington State Department of Transportation -- Ferries -- Pilot Car Sharing Program in San Juan Islands

The proviso states that Washington State Ferries may investigate implementation of a car-sharing program in the San Juan Islands but also provides that Washington State Ferries shall submit a report to the Legislature by November 15, 2008. Because no funding is provided for the research and report, I am vetoing Section 224(12) but want the Department of Transportation's Commute Trip Reduction program to examine how a car-sharing program could work in the San Juan Islands.

Section 224(14), page 39, Washington State Department of Transportation -- Ferries -- Summer Schedule on Port Townsend/Keystone Route

The proviso includes an appropriation of \$357,000 for two additional sailings per day on the Port Townsend/Keystone route from May 19, 2008 to September 8, 2008. Unfortunately, these dates do not correspond with the already established summer sailing schedule for the Washington State Ferries that runs from June 15 to September 20. As a result, this will add operating costs beyond the \$357,000 that is appropriated.

Although I am vetoing Section 224(14), the Department of Transportation and the Office of Financial Management will work with House and Senate Transportation Committee chairs to find options that fit within the amount of money provided and that also can meet the intent of the Legislature to provide additional service during the summer on this route.

Section 306(16), page 50, Transportation Account 2003 bond proceed appropriation

The proviso includes appropriation authority to spend up to \$825,000,000 in proceeds from the sale of 2003 nickel account bonds. Due to a technical error, this amount excluded the extra money the state gets from bond premiums which can limit the funds available to support important projects already underway. Therefore, I am vetoing this section so that the ending fund balance in the nickel account will not be adversely affected.

Section 306(17), page 50, Transportation Partnership Account 2003 bond proceed appropriation

Similar to section 306(16), this proviso includes appropriation authority to spend up to \$740,000,000 in proceeds from the sale of transportation partnership account bonds but this amount also excluded the bond premiums. Because this can adversely impact the ending fund balance in the transportation partnership account, I am vetoing this section.

Section 407(12), page 72, Administrative Transfer of Federal Funds

An administrative transfer of million in federal funds is made from the multimodal account-federal to the transportation infrastructure account-federal. The State Treasurer does not transfer

federal funds within the Department of Transportation programs. Transfers of this sort are done internally at the Department of Transportation, so I am vetoing this section.

Section 602, page 76, Government Accounting Standards Board Asset Valuation

The Department of Transportation is already in full compliance with Government Accounting Standards Board (GASB) Statement 34 as it pertains to asset valuation of the state's highway systems, including the maintenance of an infrastructure asset inventory and regular assessments of the condition of assets. This critical information is already used to support strategic long-term investment decision-making in transportation capital project management and to set appropriate levels of asset maintenance and preservation.

Section 602 requires the Department to exceed the requirements of GASB 34 but does not provide additional funding. I vetoed similar language in 2005 and in 2007, and am vetoing this section.

For these reasons, I have vetoed Sections 102(6), 206(6), 212(2), 224(12), 224(14), 306(16), 306(17), 407(12), and 602 of Engrossed Substitute House Bill 2878.

With the exception of Sections 102(6), 206(6), 212(2), 224(12), 224(14), 306(16), 306(17), 407(12) and 602, Engrossed Substitute House Bill 2878 is approved.

Respectfully submitted,

Christine Gregoire

Christine Gregoire
Governor

SHB 2879

C 66 L 08

Modifying provisions regulating spyware.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Ericksen, Hasegawa, Morrell and Kelley; by request of Attorney General).

House Committee on Technology, Energy & Communications

Senate Committee on Consumer Protection & Housing

Background: Spyware. The term "spyware" generally describes any software that is placed on a user's computer to monitor, collect, and transmit personally identifiable information without the user's knowledge or consent. Spyware programs can be difficult to identify and remove, and they can cause problems ranging from advertisements to computer viruses to identity theft. Frequently, spyware is hidden within a larger software package that the consumer purposely installs, but spyware also can be installed by visiting a web site.

Computer Spyware Law. In 2005 a state spyware law was enacted. The law generally prohibits the unauthorized installation of computer spyware if installed through intentionally deceptive means. Several types of computer spyware activities are prohibited, including collecting web browsing histories, taking control of a user's computer to send electronic mail or viruses,

creating bogus financial charges, opening multiple pop-up advertisements, and modifying security settings.

The Attorney General, a provider of computer software, or an owner of a Website or trademark may bring a civil action to enjoin further violations and recover either actual damages or \$100,000 per violation, whichever is greater. The maximum allowable damage award is \$2 million. In addition, a court may increase the damage award up to three times if the defendant has engaged in a pattern and practice of engaging in the prohibited activities. The court may also award costs and reasonable attorneys' fees to the prevailing party.

Summary: Additions to the Computer Spyware Law. Several computer-related actions, collectively known as "spyware," are added to the computer spyware law. The following spyware activities are prohibited:

- disabling the ability of anti-spyware or anti-virus software to update automatically, if the disabling is done through intentionally deceptive means;
- using the owner or operator's computer as part of an activity performed by a group of computers for the purpose of causing damage to another computer or person, including, but not limited to, launching a denial of service attack;
- transmitting or relaying commercial e-mail or a computer virus from the owner or operator's computer if initiated by a person other than the owner or operator;
- modifying toolbars or buttons of the owner or operator's Internet browser used to access and navigate the Internet, if the disabling is done through deceptive means; and
- inducing an owner to install software by displaying a pop-up, web page, or other message whose source is misrepresented.

These prohibitions also apply to those persons who know or consciously avoid knowing that their services are being used to procure or transmit spyware.

Exceptions. These prohibitions do not apply to any monitoring of a subscriber's Internet service by a telecommunications carrier, cable operator, computer hardware or software provider, or provider of information service for network or computer security purposes.

Changes to the Computer Spyware Law. The following computer spyware provisions are modified to prohibit "deceptive" actions rather than "intentionally deceptive" actions:

- modifying settings for opening web pages, search engines, bookmarks, and toolbars;
- misrepresenting that software will be uninstalled or disabled by an owner or operator's actions; and
- misrepresenting that software is necessary for security, maintenance, repair, or privacy reasons.

"Deceptive" is defined as: (1) a materially false or fraudulent statement; or (2) a statement or description

that omits or misrepresents material information in order to deceive an owner or operator.

Some provisions of the existing computer spyware law are removed relating to: (1) keystroke logging; and (2) preventing an owner from disabling or blocking the installation of software.

These exemptions must not be construed as: (1) a defense to liability under the common law or any other state or federal law; or (2) an affirmative grant of authority to engage in certain computer monitoring or remote disablement activities.

Standing to Sue. A provider of computer software or owner of a Website or trademark may bring a civil action only if the action arises directly out of the person's status as a provider or owner.

The computer spyware statute is reorganized.

Votes on Final Passage:

House	95	0
Senate	49	0

Effective: June 12, 2008

SHB 2881

C 147 L 08

Concerning the practice of dentistry.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Hinkle, Kenney and Cody).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Applicants for a license to practice dentistry may obtain a license without fulfilling the examination requirement if they: (1) hold a license in another state where they are actively practicing; and (2) graduated from a dental school that has been approved by the Dental Quality Assurance Commission (Commission). The Commission has established rules to adopt the American Dental Association's Commission on Accreditation (ADACA) standards for the approval of dental schools and has approved all dental schools accredited by the ADACA as of 1993. The Commission's rules also require those applicants who graduated from a dental school that is not accredited by the ADACA, but is either otherwise approved by the Commission or listed by the World Health Organization, to complete at least two additional pre-doctoral or post-doctoral years of dental education.

Summary: An applicant for a license to practice dentistry in Washington who has not graduated from a dental school approved by the Commission may obtain a license without meeting the examination requirement if he or she has practiced dentistry in another state for at least four years, completed a one year post-doctoral

SHB 2885

residency approved by the Commission, and met all other licensing requirements.

By November 15, 2009, the Commission must report to the Governor and the Legislature with recommended licensing standards for foreign-trained dentists. The recommendations must consider the balance between maintaining professional quality and having an adequate supply of dentists in Washington. The recommendations must also consider the use of standards established by accrediting organizations.

The act expires on July 1, 2010.

Votes on Final Passage:

House	94	3	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

SHB 2885

C 70 L 08

Modifying industrial insurance coverage for geoduck harvesters.

By House Committee on Commerce & Labor (originally sponsored by Representatives Williams, Conway, Newhouse, Sells, Chandler, Condotta and Moeller).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: The Longshore and Harbor Workers' Compensation Act, administered by the U.S. Department of Labor, provides medical benefits, compensation for lost wages, and rehabilitation services to longshoremen, harbor workers, and other maritime workers who are injured during the course of employment or suffer from diseases caused or worsened by conditions of employment. Under the Longshore and Harbor Workers' Compensation Act, businesses whose employees are employed in maritime employment on or near the navigable waters of the United States are required to purchase longshore and harbor workers' compensation insurance.

There are exclusions to coverage under the Longshore and Harbor Workers' Compensation Act. The exclusions apply if the workers are covered by a state workers' compensation law. An exclusion for aquaculture workers is included.

The federal Jones Act also provides a remedy to seamen for injuries arising out of employment. Under the Jones Act, an injured seaman may obtain damages from his or her employer for the negligence of the vessel's owner, the captain, or other crew members.

The state Industrial Insurance Act does not apply to employers and workers for whom a right or obligation exists under the maritime laws.

In 2007 legislation was enacted that applies the state Industrial Insurance Act to commercial divers harvesting geoduck clams, workers tending to such divers, and the employers of such divers and tenders. The state Industrial Insurance Act applies whether or not the work is performed from a vessel.

Summary: Tenders of commercial divers harvesting geoduck clams are removed from the provisions of the state Industrial Insurance Act.

Votes on Final Passage:

House	93	0
Senate	49	0

Effective: January 1, 2009

HB 2887

C 300 L 08

Authorizing the purchase of an increased benefit multiplier for past judicial service for judges in the public employees' retirement system.

By Representatives Fromhold, Crouse, Conway, Wood and Kessler.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: Since July 1, 1988, newly elected or appointed judges and justices have become members of the Public Employees' Retirement System (PERS) Plan 2. Since March 1, 2002, judges and justices without previously established PERS membership have had the choice to enter PERS Plan 2 or Plan 3.

The PERS Plan 2 provides most members with an unreduced benefit of 2 percent of average final compensation for each year of service credit earned at age 65. The PERS Plan 3 provides most members with an unreduced benefit of 1 percent per year of service credit earned at age 65, plus an individual member account of accumulated employee contributions plus investment earnings. A general member of PERS Plan 2 or 3 may include any number of years of service towards the 2 percent or 1 percent formula in calculating his or her retirement benefit.

State-employed justices and judges, including those on the Washington Supreme Court, Courts of Appeals, and Superior Courts, also participate in a supplemental defined contribution program called the Judicial Retirement Account (JRA). The JRA was established in 1988, and members and employers each contribute 2.5 percent of pay to an individual member account. Distribution of the JRA is available to the member upon retirement as a lump-sum or in other payment forms as made available by the administering agency, the Administrator of the Courts.

Between 1937 and 1971, judges participated in the Judges' Retirement Plan and, between 1971 and 1988,

the Judicial Retirement System. Both plans offered a benefit capped at 75 percent of pay that could be accrued after approximately 21.5 years of service. Both systems are funded on a pay-as-you-go basis, with member contributions between 6.5 percent and 7.5 percent of pay and state contributions averaging in excess of 40 percent of pay. Judges who established membership in PERS Plan 1 prior to October 1, 1977, and who became judges after the closure of the Judicial Retirement System in 1988 remain members of PERS Plan 1.

The 2006 Legislature increased the required contribution rates for new judges in PERS and the Teachers' Retirement System (TRS), ceased contributions to the JRA, and increased the annual multiplier to 3.5 percent of pay per year of judicial service for members of Plan 1 or Plan 2 and to 1.6 percent of pay per year of service for members of Plan 3. Members serving as justices or judges at the effective date of the 2006 act were given the option of increasing member contributions and moving to the higher annual multipliers, or continuing participation in the JRA. A maximum benefit of 75 percent of pay applies to justices and judges using the higher yearly multiplier formulas. In addition to providing for a higher multiplier for future service in exchange for higher contribution rates, judges could also purchase the higher multiplier for past years of judicial service earned at the 2 percent or 1 percent per year of service formulas. A judge electing to purchase or improve past years of service is required to pay the actuarially equivalent value of the increase in the member's benefit resulting from the increase in the benefit multiplier.

The 2007 Legislature provided judges in PERS and TRS the opportunity to purchase up to 70 percent of past judicial service in the PERS and TRS system prior to December 31, 2007, at a rate reduced from the actuarial value of the increase in the member's benefit – 5 percent of the salary earned for each month of service being purchased, plus interest for a member of Plan 1 or Plan 2, or 2.5 percent of the salary earned, plus interest, for a member of Plan 3.

Summary: Judges and justices in the Public Employees' Retirement System are authorized to purchase past judicial service earned at 2 percent per year in Plans 1 or 2, or 1 percent per year in Plan 3, so that it will be included in their retirement formulas at 3.5 percent per year and 1.6 percent per year, respectively. Judges and justices making these purchases must do so at the time of filing a written application for retirement, and the purchases are limited to years for which the higher multipliers were not previously earned or purchased, and so that a Plan 1 or 2 member does not have more than a 75 percent of average final compensation benefit, or a Plan 3 member does not have more than a 37.5 percent of average final compensation benefit.

A judge making a purchase of the higher multiplier for a past year of service is required to pay 5 percent of

the salary earned during the year in which the service credit being purchased was earned, plus 5.5 percent interest applied from the date of service.

Former appellate or superior court judges or Supreme Court Justices that have either become employed in other PERS positions or are inactive term vested members may also purchase past years of judicial service at the higher per year of service multipliers between January 1, 2009 and June 30, 2009. The purchase may be for all of a judge's past judicial service, and the cost of the purchases is the actuarial equivalent of the value of the increase in the member's benefit, as determined by the Director of the Department of Retirement Systems.

Votes on Final Passage:

House	94	1	
Senate	44	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

SHB 2893

C 46 L 08

Modifying the composition of the forest practices board.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives VanDeWege, Kessler, Moeller, Sells, Hunt, Takko, McCoy, Liias, Conway, Haigh, Blake, Ormsby, Loomis, O'Brien, Eickmeyer, Hasegawa, Green, Pearson and Nelson).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Forest Practices Board of Washington was created in order to integrate the laws, rules, and programs governing forest practices and hydraulic projects. Membership consists of the directors of the Departments of Agriculture, Ecology, Fish and Wildlife, and Community, Trade and Economic Development, and the Commissioner of Public Lands. In addition, an elected member of a county legislative authority and six members of the general public (one of them being an independent logging contractor and another one owning less than 500 acres of forest land) are appointed by the Governor. Each member is appointed for a term of four years.

Summary: The Governor will appoint a representative of a timber products union to the Forest Practices Board from a list of three names submitted by a timber labor coalition affiliated with a statewide labor organization representing a majority of the timber products unions in Washington.

SHB 2902

The Governor will also appoint a small forest landowner who actively manages his or her land, as one of the six members of the general public.

Votes on Final Passage:

House 90 4
Senate 48 1

Effective: June 12, 2008

SHB 2902

C 93 L 08

Conditioning the collection of the lemon law arbitration fee upon registration of new motor vehicles in Washington state.

By House Committee on Commerce & Labor (originally sponsored by Representative Wood).

House Committee on Commerce & Labor
Senate Committee on Consumer Protection & Housing

Background: The Motor Vehicle Warranties Act, commonly referred to as the Lemon Law, establishes rights and responsibilities for consumers and manufacturers when new or nearly new vehicles are defective. The statute establishes three definitions of a lemon:

- a vehicle with a serious safety defect that the manufacturer has unsuccessfully attempted to repair at least two times;
- a vehicle with some other substantial defect that the manufacturer has unsuccessfully attempted to diagnose or repair at least four times; or
- a vehicle that has been out of service for 30 cumulative calendar days with at least 15 of those days occurring during the warranty period.

If a vehicle meets one of these definitions, the manufacturer must either replace or repurchase the vehicle, whichever remedy the consumer chooses. Vehicle dealers and lessors must also collect a \$3 fee for the Lemon Law Arbitration Account from each consumer upon the purchase or lease of a new vehicle. The dealer or lessor then forwards that fee to the Department of Licensing at the time of the title application.

Summary: The \$3 arbitration fee for the Lemon Law Arbitration Account collected by vehicle dealers and lessors is collected only if the new motor vehicle will be registered in Washington.

Votes on Final Passage:

House 97 0
Senate 49 0

Effective: June 12, 2008

2SHB 2903

C 148 L 08

Creating an access coordinator for the administrative office of the courts.

By House Committee on Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Lantz, Rodne, McCoy, Wallace, Moeller, Williams, O'Brien and Goodman).

House Committee on Judiciary
House Committee on Appropriations Subcommittee on General Government & Audit Review
Senate Committee on Judiciary

Background: The federal Americans with Disabilities Act of 1990 (ADA) and the state's law against discrimination prohibit discrimination by state and local government agencies based upon disability. In 2004 the United States Supreme Court ruled that courts have the affirmative obligation under the ADA to reasonably accommodate persons with disabilities.

Washington's Court Rule 33 (CR 33) provides a procedure for persons with disabilities to request accommodations from the court. The rule defines "person with a disability" as a person covered by the ADA, the state law against discrimination, or other similar local, state, or federal laws. The term includes, but is not limited to, an individual who has a physical or mental impairment that limits one or more major life activities, has a documented history of such an impairment, or is regarded as having such an impairment.

Under CR 33, if an applicant who is entitled to an accommodation files a request five or more court days prior to the date of the proceeding in which the accommodation is needed, the court will grant the request unless it is impossible for the court to provide it. If the applicant files less than five days before the proceeding, the court will grant the accommodation unless it is impractical. If the requested accommodation is not provided, the court must offer the applicant an alternative accommodation.

A request may only be denied if the court finds that:

- the applicant failed to satisfy the substantive requirements of the court rule;
- the accommodation would create an undue financial or administrative burden;
- the accommodation would fundamentally alter the nature of the court service, program, or activity; or
- permitting the accommodation would create a direct threat to the safety or well-being of the applicant or others.

Recently, the Impediments to Access to Justice Committee (created by the Access to Justice Board) developed a guide for courts that explains options, devices, and services currently available to courts and other agencies to implement their duty to provide reasonable accommodations to persons with disabilities.

Summary: Washington courts are required to provide equal access to persons with disabilities. Subject to the availability of funds appropriated for the purpose, the Administrative Office of the Courts (AOC) must create the position of Court Access and Accommodations Coordinator (Coordinator). The Coordinator must:

- review the needs of courts statewide for training and other assistance required to provide access and accommodation for persons with disabilities;
- provide guidance and assistance upon request; and
- identify appropriate assistive devices and establish a system to improve courts' access to such devices.

In carrying out these duties, the Coordinator must consult with persons with disabilities and facilitate communication between the AOC and persons with disabilities and their representative groups.

Votes on Final Passage:

House 95 0
Senate 48 0

Effective: June 12, 2008

HB 2923

C 26 L 08

Providing an alternative method for weight tickets for transporting hay or straw.

By Representatives Hinkle, Warnick, Blake, Chandler, Hailey, Schmick, Kretz, Williams, Eickmeyer, Condotta, McCune, VanDeWege and Newhouse.

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture & Rural Economic Development

Background: State law requires that every dealer and commission merchant dealing in hay or straw must obtain a certified vehicle tare weight and a certified vehicle gross weight for each load hauled and must furnish the consignor with a copy of the certified weight ticket within 72 hours after taking delivery. It is a statutory violation for any licensee to transport hay or straw purchased by weight without the licensee having obtained a certified weight ticket from the first licensed public weighmaster encountered on the ordinary route to the destination for unloading the hay or straw.

A dealer is any person who is not a cash buyer and who solicits for the purposes of reselling. A commission merchant is any person who receives agricultural purchases on consignment for resale. A consignor is any producer who sells, ships, or delivers agricultural product to any dealer or commission agent. A licensee is any person or business licensed under state law as, among other things, a dealer or commission agent.

Tare weight is the weight of a vehicle or container when it is empty. Generally, to calculate the net weight of a load, the container is weighed to establish the tare weight and then weighed again for the gross weight, and the tare is subtracted from the gross to determine how heavy the load is.

Summary: If the dealer or commission merchant and a consignor agree in advance and in writing, a certified vehicle tare weight and certified vehicle gross weight may be obtained from a hay or straw processing facility, using a scale approved by the Director of the Washington State Department of Agriculture.

Votes on Final Passage:

House 97 0
Senate 47 0

Effective: June 12, 2008

HB 2949

C 67 L 08

Designating nonappropriated expenses of the liquor control board paid from the liquor revolving fund.

By Representatives Linville, Conway, Armstrong, Condotta, Fromhold and Wood; by request of Liquor Control Board.

House Committee on Commerce & Labor
House Committee on Appropriations
Senate Committee on Ways & Means

Background: All revenue received by the Liquor Control Board, including license fees, penalties, and other revenue, is deposited in the Liquor Revolving Fund. Certain administrative expenses are appropriated. These include the cost of establishing, leasing, maintaining, and operating state liquor stores and warehouses. Other expenses, including the costs of liquor and agency commissions for contract liquor stores, are nonappropriated. All expenditures and payment of obligations are subject to allotment requirements.

Summary: The cost of operating, maintaining, relocating, and leasing state liquor stores and warehouses is changed from appropriated to nonappropriated expenses. The cost of opening additional state stores and warehouses continues to be appropriated.

Votes on Final Passage:

House 94 0
Senate 49 0

Effective: July 1, 2009

HB 2955

C 74 L 08

Ensuring access to criminal justice information.

By Representatives Hunter, O'Brien, Hurst, Sullivan, Williams, Kelley and Morrell; by request of Department of Labor & Industries, Department of Social and Health Services, Employment Security Department, Department of Licensing, Attorney General and Criminal Justice Training Commission.

House Committee on Public Safety & Emergency Preparedness

Senate Committee on Labor, Commerce, Research & Development

Background: A number of units within some Washington state agencies have historically been able to have access not only to Washington conviction records and non-conviction arrest records (records under one year old), but also to federal out-of-state conviction and arrest records. The agencies typically access criminal history information during investigations of fraud or abuse claims arising from their respective programs.

Two state agencies, the Department of Social and Health Services (DSHS) and the Department of Labor and Industries (L&I), have a Federal Bureau of Investigation (FBI) ACCESS terminal located within their agencies. This terminal allows the agencies to have direct access to federal criminal background check information. In addition, historically several other state agencies have been eligible to obtain federal criminal background records directly from the Washington State Patrol (WSP) although they do not have individual FBI ACCESS terminals. Those agencies are as follows:

- the Criminal Justice Training Commission (CJTC);
- the Office of Attorney General (OAG);
- the Employment Security Department (ESD); and
- the Department of Licensing (DOL).

The WSP accesses the National Crime Information Center (NCIC), which is a computerized database of documented criminal justice information maintained by the FBI, to get out-of-state and non-conviction information. The NCIC database is made available to law enforcement and other criminal justice agencies.

Pursuant to recent new federal regulations, the FBI has determined that only an agency that is certified as a "criminal justice agency" is authorized to have access to federal criminal background check information. In order to remain on the Certified Criminal Justice Agency list, the agency must identify its criminal justice function or otherwise statutorily establish its investigation authority.

In order to comply with federal requirements and for these agencies to continue to receive the same criminal record information that they have been receiving in the past, a statutory language change by the Legislature must be made, and following enactment, this same language must be approved by the FBI.

If these six agencies are not given the appropriate statutory authority by the Legislature to: (1) specifically receive non-conviction criminal history; or (2) identify their criminal justice function, then they will only be able to obtain records that contain Washington in-state conviction and non-conviction arrest records. Certification as a criminal justice agency allows the agencies to apply for an ACCESS terminal to be able to obtain national criminal history records.

Summary: An investigative unit is established within the OAG, the DOL, the DSHS, the L&I, and the ESD. The directors of the respective agencies must employ qualified supervisory and investigative personnel for the program. The directors of the agencies, their designee, or their respective investigation units are authorized to receive state and federal criminal history record information that includes non-conviction data for purposes associated with the investigation of abuse or fraud in certain programs administered by the agency.

The L&I may access criminal history information only in the investigation of persons filing for or receiving workers' compensation benefits. The ESD may access the information for any purpose associated with an investigation of abuse or fraud in the unemployment compensation program. The DOL and the DSHS may access the information for any purpose associated with an investigation conducted by the investigation unit for public assistance or licensing. The OAG may access information for the prosecution of any act prohibited under the Consumer Protection Act.

The CJTC is authorized to receive criminal history record information, including non-conviction data, for any purpose associated with CJTC employment or peace officer certification. For a national criminal history records check, fingerprints must be submitted to the WSP. After a state criminal history search, the WSP must forward the fingerprints to the FBI for a national record check.

Dissemination or use of non-conviction data for unauthorized purposes is prohibited.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: June 12, 2008

SHB 2959

C 94 L 08

Concerning craft distilleries.

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Ormsby, Springer, Conway, Linville, Barlow, Walsh and Quall).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: Persons manufacturing liquor in the state must obtain the appropriate license from the Liquor Control Board (Board) and pay the fee. Common manufacturing licenses include:

Brewery (60,000 barrels or more per year)	\$6,000
Brewery (60,000 barrels or more per year)	\$ 100
Winery (250,000 liters or more per year)	\$ 400
Winery (less than 250,000 liters per year)	\$ 100
Distiller	\$2,000

The sale and distribution of beer and wine is governed by Washington's three-tier system, in which the manufacturer, distributor, and retailer tiers are separate. Numerous exceptions, however, have been enacted. Wineries and breweries, for example, may act as retailers and sell liquor of their own production. Liquor laws also prohibit the giving away of liquor except as specified. Breweries and microbreweries, and wineries may serve beer and wine, respectively, without charge on their premises.

Under Washington's control state system for the sale of spirits, distillers are prohibited from selling spirits to any person or entity other than the Board.

Persons who serve alcohol at certain retail licensed premises must undergo alcohol server training and obtain a class 12 or class 13 alcohol server permit. A class 12 permit is for persons 21 or over who also mix drinks and a class 13 permit is for persons 18 or over and allows only the service of drinks.

Summary: A reduced license fee for a craft distiller is established. A craft distiller produces 20,000 gallons or less of spirits, with at least half the raw materials used in the production grown in Washington.

A craft distiller may sell spirits of its own production for off-premises consumption, up to two liters per person per day. A craft distiller may also provide samples to persons on the premises. The samples are limited to 0.5 ounce samples and two ounces total per person per day. Persons serving samples must obtain a class 12 alcohol server permit. Spirits sold on the premises or given away as samples must be purchased from the Board and sold at the retail price established by the Board.

Craft distillers are otherwise subject to the same laws as apply to other manufacturers.

Votes on Final Passage:

House 89 1
Senate 47 0

Effective: June 12, 2008
July 1, 2008 (Sections 4 & 11)

SHB 2963

C 203 L 08

Authorizing collective bargaining for Washington State University employees who are enrolled in academic programs.

By House Committee on Appropriations (originally sponsored by Representatives Conway, Campbell, Chase, Hasegawa, Sullivan, Simpson, Seaquist, Appleton, Sells, Wood, Green, Blake, Ericks, Kenney, Williams, McIntire, Pettigrew, Kirby, Moeller, Fromhold, Hunt, VanDeWege, Ormsby and Hudgins).

House Committee on Commerce & Labor
House Committee on Appropriations
Senate Committee on Labor, Commerce, Research & Development

Background: Employees enrolled in academic programs at Washington State University, like other students, are exempt from the state civil service law. As a result, they do not have a right to engage in collective bargaining under the state civil service collective bargaining law. They also are not granted a right to engage in collective bargaining under the public employees' collective bargaining law. Legislation enacted in 2002 granted that right to teaching assistants and research assistants at the University of Washington.

Summary: The public employees' collective bargaining law applies to Washington State University (WSU) with respect to certain employees enrolled in academic programs.

Intent. The Legislature acknowledges the ability of certain student employees at the University of Washington (UW) to collectively bargain and recognizes that student employees performing equivalent services at WSU do not enjoy such rights. The Legislature recognizes that, while titles may differ, student employees at WSU should enjoy the same rights as their counterparts at the UW. The Legislature intends to grant bargaining rights to student employees at WSU to the same extent such rights are granted to student employees at the UW.

The stated intent is to promote cooperative labor relations between WSU and the employees who provide instructional, research, and related academic services while enrolled as students. The Legislature does not intend to restrict or prohibit, with respect to matters outside the scope of bargaining:

- the exercise of shared governance functions of the faculty; and
- the exercise of the functions of the graduate and professional student association, the associated students organization, or other similar organizations.

WSU is not restricted from:

- considering the merits, necessity, or organization of any program or activity, including whether to establish, modify, or discontinue a program or activity; and
- having sole discretion over student admission requirements, criteria for awarding degrees, academic requirements for selection of student employees, initial appointment, and the content and supervision of courses, curricula, grading requirements, and research programs.

Bargaining Unit. For covered student employees, the members of an appropriate bargaining unit are:

- graduate teaching assistants and graduate research assistants;
- graduate staff assistants, graduate project assistants, and graduate veterinary assistants;
- tutors, readers, and graders; and
- employees with substantially equivalent duties enrolled in an academic program.

Students who are graduate research assistants are excluded if they perform research primarily related to their dissertation and have incidental or no service expectations placed on them by WSU.

Scope of Bargaining. The scope of bargaining excludes the following subjects:

- the ability to terminate an employee who is not meeting WSU's academic requirements;
- the amount of tuition or fees, except that tuition/fee remission or waiver is within the scope of bargaining;
- WSU's academic calendar; and
- the number of students to be admitted to a class or section.

Compensation. The compensation provisions in a collective bargaining agreement may not exceed the amount or percentage established by the Legislature. However, the employer may provide additional compensation that exceeds that provided by the Legislature. If a compensation provision is affected by subsequent modification of an appropriations act, the parties must bargain for a replacement provision.

Votes on Final Passage:

House	62	32	
Senate	34	15	(Senate amended)
House	63	30	(House concurred)

Effective: June 12, 2008

SHB 2996

C 68 L 08

Requiring aversive agents in antifreeze products.

By House Committee on Commerce & Labor (originally sponsored by Representatives Loomis, Dunshee, Simpson and Morrell).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: The Washington State Department of Agriculture Weights and Measures Program promotes marketplace equity in commercial transactions through testing and inspecting of commercial devices, verifying prices, inspecting packages, providing public education, monitoring fuel quality, and investigating complaints.

Summary: New provisions regarding engine coolant or antifreeze are added to the Weights and Measures Program.

Any engine coolant or antifreeze manufactured or distributed in the state after January 1, 2010, that contains more than 10 percent ethylene glycol must contain denatonium benzoate at a minimum of 30 parts per million and a maximum of 50 parts per million as an aversive agent so as to render the product unpalatable.

These requirements apply to manufacturers, packagers, distributors, recyclers, or sellers of engine coolant or antifreeze, but not to those who install engine coolant or antifreeze for compensation. This does not apply to the sale of a motor vehicle that contains engine coolant or antifreeze, or to wholesale containers of 55 gallons or more of engine coolant or antifreeze. Manufacturers must maintain a record of the trade name, scientific name, and active ingredients of any aversive agent used and make this information available to the public upon request.

A person subject to these requirements is not liable for any personal injury, death, property damage, damage to the environment or a natural resource, or economic loss that results from the inclusion of denatonium benzoate in engine coolant or antifreeze.

Votes on Final Passage:

House	93	1
Senate	47	0

Effective: June 12, 2008

HB 2999

C 69 L 08

Concerning the "chief for a day" program.

By Representatives Hurst, Loomis, Kelley, Kirby, Liias, Morrell, Green and Simpson; by request of Governor Gregoire.

House Committee on Public Safety & Emergency Preparedness

Senate Committee on Judiciary

Background: The Criminal Justice Training Commission (CJTC) was established in 1974. Its primary purpose is to provide basic law enforcement training, corrections training, and educational programs for criminal justice personnel, including commissioned officers, corrections officers, fire marshals, and prosecuting attorneys.

Summary: The Legislature finds that the CJTC's participation in charitable work, such as the "Chief for a Day" program (program) that provides special attention to chronically ill children, advances the overall purposes of the CJTC by promoting positive relationships between law enforcement and the citizens of Washington.

The program is a special program where commissioners and staff partner with local, state, and federal law enforcement agencies, hospitals, and the community provide a day of special attention to chronically ill children. Each child is selected and sponsored by a law enforcement agency. The event occurs one day, annually or every other year, and may occur on the grounds and in the facilities of the CJTC. The program may include any appropriate honoring of the child as a chief, such as a certificate swearing the child in as a chief, a badge, a uniform, and donated gifts such as games, puzzles, and art supplies.

The duties and powers of the CJTC are expanded to include promoting positive relationships between law enforcement and citizens by authorizing commissioners and staff to participate in the program events. The CJTC is authorized to accept grants and gifts and use public facilities for purposes of the events. The Executive Director of the CJTC must designate staff who may participate in the program. However, all staff and commissioners who participate in the events of the program must comply with the state's ethics rules and regulations.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: June 12, 2008

SHB 3002

C 149 L 08

Applying arbitration to bargaining by the state and the Washington state patrol.

By House Committee on Commerce & Labor (originally sponsored by Representatives Williams, Sells, Ericks, Simpson, Hurst, Loomis, Conway, Liias, VanDeWege, Kenney, Linville and Ormsby).

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background: Employees of cities, counties, and other political subdivisions bargain their wages and working conditions under the Public Employees' Collective Bargaining Act (PECBA). The Washington State Patrol officers also bargain under the PECBA.

The Washington State Patrol officers and certain other law enforcement officers and fire fighters are considered "uniformed personnel." To resolve bargaining disputes involving these uniformed personnel, the PECBA requires binding interest arbitration if negotiations for a contract reach impasse and cannot be resolved through mediation.

Although the PECBA provides a procedure for selection of an arbitration panel after negotiations reach impasse, it does not provide such a procedure before the parties begin bargaining.

Summary: A procedure is provided for selection of an interest arbitration panel before the representatives of the state and Washington State Patrol officers begin bargaining.

Within 10 days after the first Monday in September of odd-numbered years, the bargaining representatives must attempt to agree on a three-member interest arbitration panel. Each party must name one person to serve on the panel. These members must attempt to choose the third member to serve as the neutral chair of the panel. If these members fail to select a neutral chair within seven days, the members may request the Public Employment Relations Commission (Commission) to appoint the third member. Alternatively, either member may apply to the Commission, the Federal Mediation and Conciliation Service, or the American Arbitration Association to provide a list of five qualified arbitrators from which to choose the third member. The parties must prepare a schedule of at least five negotiation dates.

The parties must also execute a written agreement setting forth the names of the arbitration panel members and the negotiation dates.

Votes on Final Passage:

House	90	0
Senate	47	1

Effective: June 12, 2008

HB 3011
C 234 L 08

Safeguarding securities owned by insurers.

By Representatives Loomis, Rodne and Kelley.

House Committee on Insurance, Financial Services & Consumer Protection

Senate Committee on Financial Institutions & Insurance

Background: The Insurance Commissioner (Commissioner) is authorized to regulate insurance in Washington. This includes oversight of financial solvency, licensing of agents and brokers, approval of insurance rate and form (contract) filings, collection of premium taxes, and responding to consumer complaints.

Washington's financial solvency system is accredited by the National Association of Insurance Commissioners (NAIC). Accredited insurance departments are reviewed every five years to ensure they continue to meet baseline standards. The accreditation standards require that insurance departments have adequate statutory and administrative authority to regulate an insurer's corporate and financial affairs, and that they have the necessary resources to carry out that authority. If a state is not accredited, the domestic insurers in that state may be subject to independent financial exams by every other state.

The NAIC adopted a model for safeguarding securities in 1980. The model was amended in 1981 and 2004.

State law establishes the framework for investments by domestic insurers. The investments of a foreign or alien insurer are regulated by the state of its domicile, but must be substantially the same quality as those required for like domestic insurers. The provisions regarding custody of securities were enacted in 2000. The law allows a domestic insurer to hold securities, deposit securities in a clearing corporation, or deposit securities in a custodian bank. The Commissioner can order the transfer of the securities to a different custodian if the Commissioner reasonably fears that the insurer may be in financial jeopardy. The Commissioner has rule-making authority to implement the statutory framework.

Summary: Definitions. Four definitions are added: "agent;" "custodied securities;" "tangible net worth;" and "Treasury/Reserve Automated Debt Entry Securities system (TRADES)."

Five existing definitions are modified: "qualified custodian;" "clearing corporation;" "broker;" "Federal Reserve book-entry securities system;" and "participating financial institutions."

"Broker/dealer" is a broker or dealer as defined in the securities provisions of the Uniform Commercial Code that:

- is registered with, and subject to, the Securities and Exchange Commission;

- maintains membership in the Securities Investor Protection Corporation; and
- has a tangible net worth equal to or greater than \$250 million.

"Clearing corporation" is a corporation as defined in the securities provisions of the Uniform Commercial Code that is organized for the purpose of effecting transactions in securities by computerized book-entry. It may include a corporation that is organized or existing under the laws of a foreign country that is legally qualified under foreign law to effect transactions in securities by computerized book-entry. It also includes the TRADES system and treasury direct book-entry securities systems.

"Custodian" is:

- a bank or trust company that is adequately capitalized as determined by the standards adopted by the United States banking regulators and that is regulated by either state banking laws or is a member of the Federal Reserve System and that is legally qualified to accept custody of securities;
- a bank or trust company established and regulated under the laws of another country that is adequately capitalized as determined by the standards adopted by the international banking authorities and legally qualified to accept custody of securities; or
- a broker/dealer.

"Custodied securities" means securities held by the custodian or its agent or in a clearing corporation, including the TRADES or treasury direct systems.

Custodians. The changes in the definitions permit a broker/dealer to serve as a custodian of securities bought and sold by a domestic insurer.

Agreements with Custodians. An insurer must have a written agreement with a custodian for the custody of its securities. The securities that are the subject of the agreement may be held by the custodian or its agent or in a clearing corporation. The agreement must be authorized by the board of directors of an insurer or of an authorized committee of the board.

The terms of the agreement must comply with the following:

- Insurer certificates must be held separate from the securities certificates of the custodian and all of its customers.
- Securities held indirectly by the custodian and securities in a clearing corporation must be separately identified on the custodian's official records as being owned by the insurer.
- Registered custodied securities must be registered in the name of the company, the custodian, a clearing corporation, or a nominee.
- Custodied securities are subject to the instructions of the insurer and may be withdrawn upon the demand of the insurer, except custodied securities used to meet the deposit requirements.

- The custodian is required to send the insurer a confirmation of all transfers of custodied securities to or from the account of the insurer.
- The custodian is required to provide the insurance company with monthly reports of various holdings of custodied securities.
- The custodian's trust committee's annual reports of its review of the insurer trust accounts must be provided to the insurer.
- The custodian and its agents are required to send to the insurance company all reports that they receive from a clearing corporation on their respective systems of internal accounting control and reports prepared by outside auditors on the custodians or its agents internal accounting control of custodied securities that the insurer may reasonably request.

During the course of the custodian's regular business hours, the custodian's records relating to the custodied securities may be examined by:

- an officer or employee of the insurer;
- an independent accountant selected by the insurer; and
- a representative of an appropriate regulatory body.

Records. The custodian must maintain records relating to custodied securities that are sufficient to enable the insurer to report in the insurer's annual statement and that are required in an audit of the financial statements of the insurer.

Insurance of Custodied Securities. A bank or trust company must maintain insurance in an adequate amount to cover the bank's or trust company's duties and activities as custodian for the insurer's assets. A broker/dealer must maintain insurance for custodied securities to ensure coverage in an amount equal to or greater than the market value of the custodied securities. The Commissioner may determine whether the type of insurance is appropriate and whether the amount of coverage is adequate.

Loss of Custodied Securities. The custodian must indemnify the insurance company for any loss of custodied securities caused by the negligence or dishonesty of the custodian's officers or employees or agents, or burglary, robbery, holdup, theft, or mysterious disappearance, including loss by damage or destruction.

If the custodian is obligated to indemnify the insurer, the custodian must promptly replace the value of the securities and any loss of rights or privileges resulting from the loss of securities. The custodian is not liable for a failure to take an action by acts which are beyond its reasonable control.

In the event that the custodian accesses a clearing corporation through an agent, the agent is subject to the same liability for loss of custodied securities as the custodian.

Notification to the Office of the Insurance Commissioner. The custodian must provide written notification to the Commissioner if the custodial agreement with the insurer has been terminated or if 100 percent of the account assets in a custody account are withdrawn. The notification must be provided to the Commissioner within three business days.

Rules. The Commissioner may adopt rules governing the deposit of securities by insurers with clearing corporations, including establishing standards for national banks, state banks, trust companies, and brokers/dealers to qualify as custodians for insurance company securities.

A change is made to account for the current options for book-entry systems used by the U.S. Treasury.

A number of language changes are made related to the changes in definitions.

Votes on Final Passage:

House	93	0
Senate	49	0

Effective: June 12, 2008

ESHB 3012

C 161 L 08

Regarding estate distribution documents.

By House Committee on Judiciary (originally sponsored by Representatives Ross, Lantz, Rodne and Williams).

House Committee on Judiciary
Senate Committee on Judiciary

Background: It is unlawful for anyone not authorized to practice law in this state to market estate distribution documents in or from the state.

An estate distribution document is a will, trust, living trust, or other agreement fixing the terms of the sale of a decedent's interest in any property at or following the decedent's death, except a payable on death account, that is prepared for a specific person or prepared as marketing materials. Marketing materials include an offer or agreement to prepare or provide individualized advice about an estate distribution document.

The unauthorized marketing of estate distribution documents is also a violation of the state Consumer Protection Act (CPA). A person who is injured by a violation of the CPA may recover treble damages, costs, and reasonable attorneys' fees.

A person that is not authorized to practice law in this state may nonetheless gather information or assist in preparing estate distribution documents if: (1) he or she is employed by someone who is authorized to practice law in this state, and (2) he or she does not provide legal advice.

Financial institutions are exempt from the prohibition against marketing estate distribution documents by those not authorized to practice law. A financial institution is a:

- bank or bank holding company registered under federal law;
- trust company;
- savings or mutual savings bank;
- savings and loan association;
- credit union organized under state or federal law; or
- any affiliate, subsidiary, officer or employee of a financial institution.

A payable on death account is an account that becomes payable to one or more designated beneficiaries upon the death of the depositor.

A transfer on death account allows a holder to pass securities directly to another person or entity upon death without having to go through probate. These are regulated under the Uniform Transfer on Death Security Registration Act.

Summary: Documents, instruments, writings, or marketing materials relating to a transfer on death account established under the Uniform Transfer on Death Security Registration Act are specifically exempted from the definition of "estate distribution document."

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: June 12, 2008

HB 3019
C 204 L 08

Addressing service credit for members working a partial year in plans 2 and 3 of the teachers' retirement system and the school employees' retirement system.

By Representatives Fromhold, Conway, Bailey, Crouse, Hurst and Simpson; by request of Select Committee on Pension Policy.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: Members of the TRS and SERS Plans 2 and 3 that work for educational employers have the opportunity to earn a full year of service credit, or portions of a full year of service credit, based on several formulas that take into account the nine months of work performed by many of these employees over a school year. These TRS and SERS Plan 2 and 3 members may earn service credit for a full year, or 12 months, providing that they work for at least 810 hours over nine months of the school year. The year of service credit is awarded for the nine-month school year that is worked, regardless of whether the individual chooses to annualize salary from his or her nine month contract over 12

months, on the principle expressed in law that pension benefits are based upon salary at the time earned, rather than at the time that the salary is actually paid.

A teacher or classified school employee in Plans 2 or 3 that works less than 810 hours, but at least 630 hours, over a nine month period is entitled to six months of service credit for the school year. A similar employee that works for fewer than nine months is entitled to service credit calculated on a month-to-month basis, earning a full month of service credit in a month where the member works 90 hours or more, a half month for working for 70 or more hours in a month, and a quarter month of service credit for working fewer than 70 hours in a month in an eligible position.

A teacher or classified school employee that works for more than 630 hours in a school year, but over a period of fewer than nine months, calculates the service credit that he or she earns for the year using the month-to-month method. Consequently, a teacher could work sufficient hours to earn a half-year, or six months, of service credit but earn service credit for five or fewer months. One situation in which this could occur would be where a teacher works full time for one-half of a school year.

Summary: Educational employees that are members of TRS and SERS Plans 2 and 3 that work 630 hours or more in five months of a school year are entitled to six months of service credit.

Votes on Final Passage:

House	95	0
Senate	49	0

Effective: June 12, 2008

HB 3024
C 101 L 08

Purchasing service credit in plan 2 and plan 3 of the teachers' retirement system for public education experience performed as a teacher in a public school in another state or with the federal government.

By Representatives Conway, Fromhold, Bailey, Crouse, Hurst, Simpson and Linville; by request of Select Committee on Pension Policy.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The Teachers' Retirement System Plans 2 and 3 (TRS 2/3) provide retirement benefits to employees certificated by the Office of the Superintendent of Public Instruction to teach for educational service or school districts, as well as to state educational service and school district superintendents and assistant superintendents. The TRS 2/3 provides for full retirement benefits at age 65 and early retirement benefits beginning at

age 55, following the completion of 10 years of service in TRS Plan 3 and 20 years of service in TRS Plan 2.

A member of TRS Plan 2 eligible for retirement is entitled to a benefit based in part on the number of years that the member has worked multiplied by 2 percent of his or her final average salary. The employer and the TRS Plan 2 employee each contribute one-half of the cost of the contributions required to fund the 2 percent-formula Plan 2 benefit. A member of TRS Plan 3 eligible for retirement is entitled to a benefit based on the number of years the member has worked multiplied by 1 percent of his or her final average salary, plus the balance of the member's individual defined contribution account. The employer funds the contributions necessary to fund the 1 percent-formula Plan 3 benefit, and the employee contributes to the individual member account at a rate chosen annually by the employee, but no less than 5 percent of pay.

Members of TRS 2/3 may make a one-time purchase of up to seven years of service credit for public education experience outside Washington's retirement systems. The education experience must have been covered by a government retirement plan, and the member must have earned at least five years of service credit in TRS 2/3. In addition, the member must not be receiving, or be eligible to receive, a retirement benefit from the other plan.

The service credit purchased is considered membership service in TRS 2/3, and it thus may be used to qualify the member for retirement or early retirement. The member must pay a cost for the service credit equal to the actuarial value of the increase in value of the member's benefits.

Summary: The required service credit that must be earned in TRS 2/3 before a member may purchase out-of-state service credit at full actuarial cost is reduced from five years to two.

Votes on Final Passage:

House	95	0
Senate	49	0

Effective: June 12, 2008

SHB 3029

C 51 L 08

Providing access to a secure system to generate temporary permits to operate vehicles.

By House Committee on Transportation (originally sponsored by Representatives Eddy, Takko, Armstrong, Sells, Simpson and Springer).

House Committee on Transportation
Senate Committee on Transportation

Background: Vehicle owners must title and license their vehicles with the Department of Licensing (DOL). When a person purchases a vehicle from a licensed

vehicle dealer, the dealer provides a temporary vehicle permit. The dealer acquires the temporary permit application forms from the DOL for \$15 per application, and manually fills in the permit expiration date. The dealer must apply for a certificate of title in the purchaser's name within 45 days. The DOL then issues permanent vehicle license plates and an annual registration and license tabs.

Summary: The DOL must provide a secure system that allows temporary vehicle permits to be generated electronically by licensed vehicle dealers. By July 1, 2011, all temporary vehicle permits must be generated using this system.

Votes on Final Passage:

House	95	0
Senate	49	0

Effective: June 12, 2008

SHB 3071

C 114 L 08

Harmonizing statutes that address the termination of condominiums.

By House Committee on Housing (originally sponsored by Representatives Goodman, Rodne and Williams).

House Committee on Housing
Senate Committee on Consumer Protection & Housing

Background: The Horizontal Property Regimes Act (HPRA), enacted in 1963, governs the management of all residential condominiums built before July 1, 1990. The Washington Condominium Act (WCA), enacted in 1990, governs condominiums built in Washington after July 1, 1990.

There are a number of specific statutes within the WCA that also apply to condominiums built before July 1, 1990, including statutes that address titles and taxation, applicability of local ordinances, tort and contract liability, lien for assessments and association records, and definitions.

The HPRA and the WCA contain different policies and procedures regarding the termination and sale of condominiums for properties.

TERMINATION UNDER THE HORIZONTAL PROPERTY REGIMES ACT.

Percent Necessary to Terminate. Residential condominiums built before July 1, 1990, may be terminated only through an agreement by 100 percent of the condominium owners.

Also, the mortgagees and holders of all liens affecting any of the apartments must also consent that their mortgages and liens be transferred to the percentage of the undivided interest of that apartment owner in the property.

Property Owner Interests Post-Termination. After termination, the property is deemed to be owned in common by the apartment owners. For each owner, the undivided interest in the property owned in common is the percentage of the undivided interest previously owned by each owner in the common areas and facilities.

Sales of Terminated Condominiums. There is no specific method for selling terminated condominium properties in the HPRA.

TERMINATION UNDER THE WASHINGTON CONDOMINIUM ACT.

Percent Necessary to Terminate. Residential condominiums built after July 1, 1990, may be terminated by agreement of 80 percent of the condominium owners (unless the condominium declaration sets forth a greater requirement).

The agreement must contain a description of the manner in which creditors of the association will be paid or provided for.

Property Owner Interests Post-Termination. Interests of unit owners consist of the fair-market values of their units, limited common elements, and common element interests immediately before termination, as determined by one or more independent appraisers selected by the association. The appraisal decision must be disapproved within 30 days after distribution, by unit owners of units to which 25 percent of the votes in the association are allocated, or the decision becomes final.

The proportion of any unit owner's interest to that of all unit owners is determined by dividing the fair-market value of that unit owner's unit and common element interest by the total fair-market values of all the units and common elements.

Sales of Terminated Condominiums. *Property Not to be Sold.* If the real property is not to be sold following termination, title to all real property vests in the unit owners as tenants in common in proportion to their respective interests.

Property to be Sold.

- (1) The termination agreement may provide that all common elements and units be sold following termination and, if so, must set forth the minimum terms for the sale.
- (2) The association may contract for the sale of real property in the condominium. Title to the real property, upon termination, vests in the association as trustee for the holders of all interests in the units. Thereafter, the association has the powers necessary and appropriate to effect the sale. Until the sale has concluded and proceeds distributed, the association continues to exist with all its previous powers.
- (3) The proceeds of any sale of real property, together with the assets of the association, are held by the association as trustee for unit owners and holders of liens on the units and creditors of the association as their interests may appear. After all creditors have

been paid or provided for, the proceeds or assets may be disbursed to the owners.

- (4) Proceeds of the sale must be distributed to unit owners and lien holders according to their interests, in proportion to the respective interests of unit owners.

Suspension of Right of Partition. When several persons hold and are in possession of real property as tenants in common, an action may be maintained by one or more of them for a partition of that property, according to the respective rights of the persons with interests in the property. The right of partition is suspended if an agreement to sell condominium property is provided for in the termination agreement. The suspension continues unless and until:

- (1) no binding obligation to sell exists three months after the recording of the termination agreement;
- (2) the binding sale agreement is terminated; or
- (3) one year after the termination agreement is recorded.

Percentage Required to Amend Declaration. A definition for "60 percent of the apartment owners" is added to the HPRA to mean the apartment owners with 60 percent or more of the votes in accordance with the percentages assigned in the declaration to the apartments for voting purposes. This term exists once in the HPRA regarding how a condominium's declaration may be amended.

Summary: The WCA Termination of Condominium subsections, which allow for termination of condominiums with 80 percent owner agreement and which include a number of other policies and procedures regarding the sale of properties, valuation of interests, and distribution of assets, is included in the list of statutes which also apply to condominiums built before July 1, 1990.

Subject to the rights of mortgagees and lien holders affected, condominium owners in buildings built prior to July 1, 1990, may choose to terminate, sell, value interests, and manage the distribution of proceeds from the condominium under either:

- (1) termination as provided for in the HPRA, which requires consent of 100 percent of owners and the ownership and interest policies described in the HPRA; or
- (2) termination as provided for in the WCA, which requires consent of 80 percent of owners and the ownership, sales, interest valuation, and suspension of partition policies as described in the WCA.

Percentage Required to Amend Declaration. A definition for "60 percent of the apartment owners" is added to the HPRA to mean the apartment owners with 60 percent or more of the votes in accordance with the percentages assigned in the declaration to the apartments for voting purposes. This term exists once in the HPRA regarding how a condominium's declaration may be amended.

Votes on Final Passage:

House 52 43
 Senate 41 8

Effective: June 12, 2008

HB 3088
 C 150 L 08

Limiting the scope of chapter 18.260 RCW over certain dental assistant and education and training programs and certain volunteer dental assistant services.

By Representatives Cody, Hinkle and Schual-Berke.

House Committee on Health Care & Wellness
 Senate Committee on Health & Long-Term Care

Background: In 2007 legislation was enacted which requires dental assistants to register with the Dental Quality Assurance Commission (Commission) by July 1, 2008. Dental assistants provide patient care and laboratory services as defined by the Commission. These services may only be provided under the close supervision of a dentist.

To become registered as a dental assistant, an applicant must complete a form with identifying information and pay a registration fee. Completion of a dental assistant education program is not required to become registered as a dental assistant, but it is a requirement for licensure as an expanded function dental auxiliary.

The registration requirements do not apply to the practice of dental assistants employed by the federal government or to expanded function dental auxiliary education and training programs and the students enrolled in those programs.

Summary: Dental assistant education and training programs and dental assistant students enrolled in those programs are exempt from dental assistant regulations. Students are only exempt if they practice under the direction and supervision of a registered dental assistant, licensed expanded function dental auxiliary, licensed dental hygienist, or licensed dentist.

Volunteer dental assistants providing services under the supervision of a licensed dentist in a charitable dental clinic are exempt from dental assistant regulations.

Votes on Final Passage:

House 93 0
 Senate 48 0 (Senate amended)
 House 93 0 (House concurred)

Effective: June 12, 2008

ESHB 3096

C 270 L 08

Financing the state route number 520 bridge replacement project.

By House Committee on Transportation (originally sponsored by Representatives Clibborn and McIntire; by request of Governor Gregoire).

House Committee on Transportation
 Senate Committee on Transportation

Background: The State Route 520 (SR 520) Evergreen Point Bridge is a one and a half mile, 42-year-old bridge crossing Lake Washington in King County. The bridge is scheduled for replacement due to its vulnerability to seismic activity and storm events. In addition to the deteriorating physical condition, the bridge lacks shoulders for disabled and emergency vehicles and experiences considerable amounts of congestion.

Legislation passed during the 2007 session directed the Office of Financial Management to hire a mediator and appropriate planning staff to develop a project impact plan for addressing the impacts of the project design on Seattle city neighborhoods and parks, including the Washington park arboretum, and institutions of higher education. The mediator was directed to provide to the Joint Transportation Committee and the Governor a progress report by August 1, 2007, and a final project impact plan by December 1, 2008.

In that same legislation, the project design is described as having six total lanes, with four general purpose lanes and two lanes that are for high occupancy vehicle travel that could also accommodate high capacity transportation, including bus rapid transit. The bridge must also be designed to accommodate light rail in the future.

As a project in the Regional Transportation Investment District (RTID) proposal, the SR 520 bridge would have received state sales tax paid on the project. This sales tax rebate had been considered as revenue to the project. However, given voters recent rejection of the RTID funding package, a sales tax rebate is no longer available to the SR 520 bridge project. Additionally, the project will not receive \$1.1 billion that would have been provided through the RTID funding package.

In 2007 the Washington State Department of Transportation (WSDOT) was awarded a grant from the U.S. Department of Transportation's Congestion Initiative, known as the Lake Washington Urban Partnership. The grant provided \$139 million, of which \$86 million was provided for active traffic management (such as traveler information and speed harmonization) and variable tolling on the SR 520 bridge. All but \$1.6 million of the grant is only accessible once a variable tolling policy has been approved, legal authority exists for tolling to commence, and variable tolling is implemented on the SR 520 bridge project.

Summary: The design of the SR 520 Bridge Replacement and High Occupancy Vehicle (HOV) project must include six total lanes, with two lanes for transit and HOV use and four general purpose lanes. The project must also be designed to accommodate effective connections for transit, including high-capacity transit, to the light rail station at the University of Washington.

The finance plan for the SR 520 Bridge Replacement and HOV project must include recognition of revenue sources that include:

- \$1.7 billion in state and federal funds;
- \$1.5 to \$2 billion in tolling revenue, including revenue from early tolls that could begin in late 2009;
- \$85 million in federal urban partnership funds; and
- contribution from private and other governmental sources.

The finance plan must also include recognition of savings from:

- early construction of traffic improvements on SR 520 between the eastern shore of Lake Washington and 108th Avenue Northeast in Bellevue;
- early construction of a single string of pontoons that support two lanes for transit and HOV use and four general purpose lanes;
- preconstruction tolling to reduce total financing costs; and
- a deferral of the sales taxes paid on construction of the project.

A SR 520 tolling implementation committee (Committee) is formed, consisting of three members, the Puget Sound Regional Council Executive Director, the Secretary of the WSDOT or his or her designee, and a member of the Washington State Transportation Commission from King County. The Committee must evaluate various issues relating to the SR 520 bridge replacement project, including the form the tolling may take, traffic diversion, tolling and traffic management technology, and partnership opportunities, and also must survey citizens about the project. A report is due from the Committee to the Governor and Legislature by January 2009.

The WSDOT may seek approval from the Legislature to begin tolling on the existing SR 520 bridge and its replacement only after the Committee has submitted its report. The WSDOT must also work with the Federal Highways Administration to determine what steps would be needed to toll the Interstate 90 bridge. The State Transportation Commission must set the toll rates for the facility, and the WSDOT must determine the method of collection.

State and local sales and use tax due on site acquisition, construction, and equipment related to the SR 520 bridge replacement project may be deferred until five years after the project is open to traffic, and is then due in equal yearly installments over the next decade.

Votes on Final Passage:

House	63	30	
Senate	29	19	(Senate amended)
House	62	31	(House concurred)

Effective: June 12, 2008

HB 3097

C 27 L 08

Specifying authority of the executive director of the state board of education.

By Representatives Quall, Barlow, Priest and Anderson.

House Committee on Education

Senate Committee on Early Learning & K-12 Education

Background: The purpose of the 16-member State Board of Education (SBE) is to provide advocacy and strategic oversight of public education, implement an accountability system to improve achievement, and provide leadership. Some of the specific functions of the SBE include establishment of the high school graduation requirements and identification of the scores students must achieve in order to meet the standard on the Washington Assessment of Student Learning.

The SBE employs an Executive Director and other staff, all of whom reside in the Office of the Superintendent of Public Instruction for administrative purposes.

Summary: The SBE may delegate to the Executive Director duties deemed necessary for business efficiency. Duties which may be delegated include, but are not limited to, employment of necessary personnel and entering into, amending, and terminating contracts.

Votes on Final Passage:

House	97	0	
Senate	46	0	

Effective: June 12, 2008

2SHB 3104

C 6 L 08

Expanding rights and responsibilities for domestic partnerships.

By House Committee on Finance (originally sponsored by Representatives Pedersen, Hankins, Moeller, Walsh, Linville, Takko, Upthegrove, Kessler, Jarrett, Ericks, Wallace, Grant, Eickmeyer, Quall, Clibborn, Dunshee, Lantz, Sullivan, Simpson, Blake, Hunter, Roberts, Rolfes, Williams, Sells, Schual-Berke, Springer, Eddy, Hunt, Hudgins, Santos, Cody, Seaquist, Fromhold, Nelson, McIntire, Chase, Hasegawa, Appleton, Darneille, Haigh, Sommers, Dickerson, Kirby, Wood, Flannigan, Conway, Goodman, Kenney, Kagi, Ormsby, Loomis, McCoy, Barlow, O'Brien, Pettigrew, Morris, Liias and VanDeWege).

House Committee on Judiciary

House Committee on Finance

Senate Committee on Government Operations & Elections

Background: In 2007 the Legislature created a domestic partnership registry in the Office of the Secretary of State (Secretary), specified eligibility requirements for same-sex couples and qualifying different-sex couples to register, and granted certain rights and responsibilities to registered domestic partners. Those rights and responsibilities generally involved areas of law dealing with health care decision-making; powers of attorney; and the death and burial of a domestic partner.

A state registered domestic partnership may be terminated by either party filing a signed, notarized notice of termination with the Secretary and paying a filing fee. If the notice of termination is not signed by both parties, the party seeking termination must also file an affidavit stating that service of the notice on the other party has been made.

Upon receipt of the notice of termination, filing fee, and affidavit, the Secretary must register the notice of termination and provide a certificate of termination to each party. The termination is effective 90 days after the date of filing the notice. A state registered domestic partnership is automatically terminated if either party subsequently enters into a marriage with each other or another person that is recognized as valid in this state.

Summary: Various statutory rights and responsibilities provided to spouses are extended to state registered domestic partners. The process for terminating a domestic partnership is changed. Before the effective date of the act, the Secretary must send a letter to registered domestic partners notifying them that laws affecting domestic partnerships have changed. A legal union between a same-sex couple, other than a marriage, that is created in a different state and that is substantially

equivalent to a Washington domestic partnership will be recognized in Washington.

Termination of Domestic Partnerships. To terminate a domestic partnership, a domestic partner must file a petition for dissolution in superior court and follow the same procedures applicable to dissolution of marriages, unless the parties qualify to use the nonjudicial termination process. Once a month, the State Registrar of Vital Statistics must submit a list of persons who have dissolved their domestic partnerships to the Secretary.

Parties may use a nonjudicial termination process by filing a notice of termination with the Secretary if, at the time of filing the notice:

- (1) both parties want the domestic partnership to be terminated and both have signed the notice of termination;
- (2) neither party has minor children, whether born or adopted before or after the domestic partner registration and neither party is pregnant;
- (3) the domestic partnership is not more than five years in duration;
- (4) neither party has any ownership interest in real property and neither party leases a residence (except a lease of a residence occupied by either party that terminates in a year and does not include an option to buy);
- (5) there are no unpaid obligations over \$4,000 incurred by either or both parties after the domestic partnership registration, except for debts on a vehicle (this threshold amount will be adjusted for inflation every two years);
- (6) the total fair market value of community property assets, minus any encumbrances, is less than \$25,000 and neither party has separate property assets over \$25,000 (this amount will be adjusted for inflation every two years);
- (7) the parties have executed an agreement establishing the division of assets and debts and have executed any documents to effectuate the agreement; and
- (8) the parties waive any rights to maintenance by the other party.

A domestic partnership is no longer automatically terminated if the parties enter into a marriage with another person that is recognized in this state.

Rights and Responsibilities. Rights and responsibilities provided to spouses in various areas of law are extended to state registered domestic partners. The amended statutes generally involve: dissolutions; community property; estate planning; taxes; court process; services to indigent veterans and other public assistance; conflicts of interest for public officials; and guardianships. The following is a list of the broad categories and a short description of some of the changes made in each category.

Dissolution, Parenting Plans, and Child Support.

- Procedures for dissolution apply to domestic partners.
- Child support, maintenance, and parenting plan obligations, and procedures for enforcing such orders, apply to domestic partners.

Community Property and Other Property Rights.

- Property of domestic partners are subject to community property laws.
- A domestic partner's property is obligated to family expenses and education of the children.
- The slayer statute prohibits inheritance by a domestic partner perpetrator.
- A homestead may consist of property owned by domestic partners.

Judicial Process and Victim's Rights.

- A domestic partner may sue on behalf of the community.
- Testimonial privilege for spouses applies to domestic partners.
- A domestic partner is a "family or household member" for purposes of the domestic violence laws.

Taxes.

- Property assigned from one domestic partner to another under a dissolution decree is exempt from real estate excise tax.
- Property tax deferrals for eligible persons, such as senior citizens meeting certain criteria, extend to the person's surviving domestic partner.

Public Officials.

- Appointed and elected officials must disclose financial affairs of their domestic partners.
- Gifts received by an elected official's domestic partner are subject to public disclosure reporting requirements.
- A domestic partner of an elected official may not be a member of the State Commission on Salaries.

Public Assistance.

- The Department of Social and Health Services must consider hardship to a person's domestic partner, to the same extent hardship is considered for spouses, when filing a lien against a person's property as reimbursement for receiving medical assistance.
- Domestic partners who are residents in long-term care facilities or nursing homes may share the same room under certain circumstances.
- An abused same-sex domestic partner is considered a "victim" for purposes of services provided by domestic violence shelters.

Veterans.

- State colleges and universities must waive tuition for domestic partners of deceased or disabled veterans if certain conditions are met.
- Services for honorably discharged indigent veterans, such as residency in a veteran's home, are available to veterans' domestic partners.

Guardianship and Powers of Attorney.

- Procedures under guardianship laws, such as who is entitled to notice, apply to domestic partners of incapacitated persons.
- Domestic partners may file a petition to determine the effectiveness of a power of attorney, receive an accounting, and request other information regarding the power of attorney.

Probate and Trust Law.

- A domestic partner not named in a will that was created before registration of the domestic partnership is an omitted domestic partner for purposes of intestate distribution.
- Letters testamentary go to the surviving domestic partner to administer community property.
- Procedures under probate involving transfer of community property apply to domestic partners.
- The court may award a certain amount from the estate to the decedent's domestic partner for purposes of family support.

Notice to Registered Domestic Partners.

Sixty days before the effective date of the act, and again 30 days before the effective date, the Secretary must send a letter to the mailing address of each registered domestic partner notifying the person that Washington's laws will change. The letter must state that persons who do not wish to be subject to the new rights and responsibilities must terminate their domestic partnership before the effective date of the act.

Votes on Final Passage:

House	62	32
Senate	29	20

Effective: June 12, 2008
 January 1, 2009 (Section 1044)
 July 1, 2009 (Section 1047)

SHB 3120
 C 235 L 08

Requiring a study on tax incentives to encourage green building.

By House Committee on Finance (originally sponsored by Representatives Rolfes, Morrell, Liias and Williams).

House Committee on Finance
 Senate Committee on Ways & Means

Background: Washington's major tax is the state retail sales tax and its companion use tax. Together these comprise approximately 47 percent of all state tax receipts. In addition, local sales/use taxes are a major source of revenue for cities, counties, and other types of local taxing districts.

ESHB 3122

C 102 L 08

The sales tax applies to purchases for which the buyer actually uses the item or service (i.e., not for direct resale); the use tax applies to items upon which the retail sales tax was not paid (e.g., items purchased out-of-state or from nonretail vendors). Most purchases of tangible personal property, including items used by businesses, are subject to the tax. Some services such as construction and repair of tangible personal property are subject to the tax; however, the majority of personal and professional services are not taxable. A variety of specific exemptions apply to certain types of goods, (e.g., manufacturing machinery and motor vehicle fuel), or to specified type of purchasers, (e.g., the American Red Cross).

The state levies a sales/use tax rate of 6.5 percent; local sales/use tax rates range from 0.5 to 2.4 percent. Starting in April 2008, the highest combined rate in the state will be 9.0 percent.

In the case of contract construction done for an owner of real property, the retail sales tax applies to the full price of the contract, including materials, labor, and service. For "spec" building, when the builder owns the land upon which a structure is being constructed or remodeled, the builder pays retail sales/use tax upon the materials to be incorporated into the structure, but there is no tax on labor and services.

Summary: A study is mandated on the effectiveness of tax incentives to encourage green building of residential, commercial, and public structures. By December 1, 2008, the Department of Community, Trade and Economic Development must report to the Legislature. The Department of Revenue is directed to provide tax-related data in support of the study.

The study must identify tax incentives to encourage the construction of energy-efficient building; propose new sales/use tax exemptions for construction activities and business and occupation tax incentives for contractors and architects; provide an estimate of the fiscal cost of any proposed incentives; and provide an estimate of the potential reduction in emission reductions and cost savings for green-built structures. Also, the study must consider other tax and programmatic policies to encourage green building and analyze current trends in this industry.

Votes on Final Passage:

House	93	1	
Senate	48	1	(Senate amended)
House	91	3	(House concurred)

Effective: June 12, 2008

Consolidating, aligning, and clarifying exception tests for determination of independent contractor status under unemployment compensation and workers' compensation laws.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Green, Hunt, Kenney, Roberts, Haler, Morrell, Ericks, Hankins, Eddy, Wood, Sells, Chase, Ormsby, Hasegawa, Appleton, Williams, Moeller, Simpson, Sullivan and McIntire).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce, Research & Development

Background: In 2007 the Legislature enacted Senate Bill 5926, which created a Joint Legislative Task Force on the Underground Economy in the Construction Industry (Task Force). The Task Force was directed to formulate a state policy to establish cohesion and transparency between state agencies to increase oversight and regulation of the underground construction economy. Over the 2007 interim, the Task Force met six times and adopted recommendations at its final meeting.

One of the issues the Task Force discussed was the determination of independent contractor status. The term "independent contractor" is not defined in law; rather, this concept is embodied in several exception tests to the definition of "worker" in industrial insurance law and "employment" in unemployment compensation law. If a person fulfills the tests, the person is not covered for purposes of workers' compensation and unemployment insurance, and no industrial insurance premiums or unemployment taxes are due. Otherwise, the person is covered, and premiums and taxes are due.

Industrial insurance and unemployment insurance laws share a four-part exception test that applies only to construction. These laws also share a six-part test that applies to all industries, including construction. Persons working under independent contract, the essence of which is personal labor, are covered under industrial insurance. Both sets of laws also contain exceptions for specific industries, and sole proprietors and other business owners are exempt. The analysis also otherwise differs somewhat for unemployment insurance and industrial insurance.

The Task Force recommended that the different definitions of covered worker and employment exceptions be blended into one consistent definition.

Summary: A new test is established to determine when work is done by independent contract in the construction industry for purposes of unemployment insurance and industrial insurance. The existing construction-specific tests are eliminated. All parts of the following test must be met:

- (1) The individual has been and will continue to be free from control or direction over the performance of the service, both under contract and in fact.
- (2) The service is either outside the usual course of business for which the service is performed, or outside of all the places of the enterprise for which the service is performed, or the individual is responsible, both under the contract and in fact, for the costs of the place of business.
- (3) The individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature, or the individual has a principal place of business that is eligible for a business deduction for federal income tax purposes, other than that furnished by the employer.
- (4) On the effective date of the contract, the individual is responsible for filing, under the contract and in fact, a schedule of expenses with the Internal Revenue Service.
- (5) On the effective date of the contract or within a reasonable period after the effective date, the individual has an active and valid certificate of registration with the Department of Revenue (DOR) and an active and valid account with any other state agencies, and has a Unified Business Identifier number.
- (6) On the effective date of the contract, the individual is maintaining a separate set of books or records.
- (7) On the effective date of the contract, the individual has a valid contractor registration or electrical contractor license if the work requires the registration or license.

The new test is similar to the six-part test for all industries. The test differs in that the individual must have a valid contractor registration or electrical contractor license on the effective date of the contract and the accounts the individual must have with the DOR and any other state agencies must be active and valid. In addition, the principal place of business that is eligible for a business deduction must be other than that furnished by the employer.

Votes on Final Passage:

House	92	2
Senate	33	16

Effective: June 12, 2008

E2SHB 3123

C 47 L 08

Establishing evidence-based nurse staffing in hospitals.

By House Committee on Appropriations (originally sponsored by Representatives Morrell, Cody, Roberts, Green and Ormsby).

House Committee on Health Care & Wellness
 House Committee on Appropriations
 Senate Committee on Health & Long-Term Care

Background: The Department of Health rules require, among other things, acute care hospitals to ensure that qualified and competent staff are available to operate each department. In making its staffing decisions, acute care hospitals must consider a state law that limits overtime work for licensed practical nurses and registered nurses that work for an hourly wage. State hospitals for the mentally ill must have safety plans that take into account staffing needs.

An Institute of Medicine (IOM) study, reported in 2004, reviewed the key aspects of a nurse's work environment that were likely to have an impact on patient safety. The IOM report found that the typical nurse work environment has been characterized by many serious threats to patient safety, including long work hours for some nurses, reductions in training and staffing levels, and reductions in time available for monitoring patients. The IOM report made various recommendations on nurse staffing, including recommending that hospitals should use evidence-based nurse staffing practices and perform ongoing evaluation of the effectiveness of nurse staffing practices, and that there should be a nationwide system for collecting staffing data that is routinely disclosed to the public.

Summary: Nurse Staffing Committees. All hospitals, including the state hospitals for the mentally ill, are required to establish a nurse staffing committee, which may be a new committee or an existing committee assigned those functions. At least half of the committee members must be registered nurses providing direct patient care.

Employee participation in nurse staffing committees must be on scheduled work time and be paid at the appropriate rate of pay.

Critical access hospitals may use flexible approaches, including allowing the staffing committee to work by telephone or electronic mail.

Nurse Staffing Plans. Nurse staffing committees must:

- develop an annual patient care unit and shift-based nurse staffing plan based on the needs of patients, to be used as the primary component of the staffing budget. Factors to be considered in plan development should include census, patient intensity, skill mix, experience and training of nursing personnel,

equipment and geography of the patient care unit, and nationally published staffing guidelines. The committee may also take hospital finances into account;

- conduct semi-annual reviews of the staffing plan against patient need and known evidence-based information; and
- review, assess, and respond to staffing concerns presented to the committee.

The committee will produce the hospital's annual nurse staffing plan and, if the plan is not adopted by the hospital, the chief executive officer must provide a written explanation of the reasons why to the committee.

The hospital must post the nurse staffing plan, and the nurse staffing schedule with relevant clinical staffing for that shift, in a public area in each patient care unit.

Various named health care associations and labor organizations are encouraged to seek the assistance of the Ruckelshaus Center to help identify and apply best practices related to patient safety and nurse staffing. This provision is null and void if not funded in the budget.

Retaliation Prohibited. A hospital is prohibited from retaliating against or intimidating: (1) an employee for performing duties related to the nurse staffing committee; or (2) any individual who notifies the committee or hospital of concerns about nurse staffing.

Votes on Final Passage:

House	93	1
Senate	49	0

Effective: June 12, 2008

SHB 3126

C 129 L 08

Clarifying the interaction of the streamlined sales and use tax legislation and the power of local governments to license and tax.

By House Committee on Finance (originally sponsored by Representatives Loomis, Orcutt, Hunter, McIntire, Priest, Roach, Condotta, Kelley and Rolfes).

House Committee on Finance
Senate Committee on Ways & Means

Background: In 2007 the state adopted full compliance with the national Streamline Sales and Use Tax Agreement (SSUTA); the effective date is July 1, 2008. The agreement is intended to make sales taxes more uniform throughout the country, thereby improving administration for tax collection agencies and compliance for taxpayers.

One of the requirements of SSUTA is switching to destination-based sourcing of taxable transactions for products that are delivered by vendors to the location of the purchaser. Thus, the transaction will be coded to the

location of the buyer, rather than the point from which the goods were shipped by the seller. Thus, cities will be receiving reports of local sales tax receipts from vendors who are located outside of their jurisdiction.

Summary: A variety of municipal taxing statutes are amended to specify that cities may not require businesses to be licensed for city business tax purposes, if the firm is merely registered under or in compliance with the SSUTA. (This assures that remote sellers are not liable for city business taxes, if they only report local sales taxes to that jurisdiction. If the firm actually has nexus within the city, then it is still potentially subject to registration for local business tax purposes.)

Votes on Final Passage:

House	94	0
Senate	47	0

Effective: June 12, 2008

2SHB 3129

C 95 L 08

Regarding online learning programs for high school students to earn college credit.

By House Committee on Appropriations Subcommittee on Education (originally sponsored by Representatives Schmick, Anderson, Quall, Simpson and Ormsby).

House Committee on Education
House Committee on Appropriations Subcommittee on Education

Senate Committee on Early Learning & K-12 Education

Background: Students who are juniors and seniors in high school have the option through the Running Start program to enroll at a local community college or participating four-year college or university in courses that will offer them both high school and college credit. Other dual credit opportunities may be available at the students' high schools, such as Advance Placement, International Baccalaureate, College in the High School, or Tech Prep.

Students who live in remote areas of the state or attend very small high schools may not have the same ease of access to dual credit programs as students in urban areas or large high schools. However, in 2006-07 more than 4,500 Running Start students were able to enroll in online courses through the community and technical college (CTC) system's WashingtonOnline consortium. WashingtonOnline is a virtual campus providing access to online courses and degree programs offered by colleges in the CTC system. School districts that are part of the Digital Learning Commons also have access to online dual credit courses, including through the University of WashingtonOnline Extension.

Summary: The Office of the Superintendent of Public Instruction (OSPI), with assistance from the Digital Learning Commons and WashingtonOnline, must compile information about online learning programs for high school students to earn college credit and place the information on its website. Examples of information include links to purveyors of online learning programs; program comparisons; advantages and disadvantages of online learning; and other information to assist students, teachers, and counselors. Examples of online learning programs include Running Start, Advance Placement, the Digital Learning Commons, the University of WashingtonOnline Extension, WashingtonOnline, and other programs and providers that are qualified to offer courses for high school credit or offer courses that colleges and universities in Washington generally accept for credit.

High schools must ensure that teachers, counselors, parents, and students have information about online learning programs. High schools must also provide information to students and their parents about the opportunity to enroll online in Running Start.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

E2SHB 3139
C 280 L 08

Providing for stays of industrial insurance orders on appeal.

By House Committee on Appropriations (originally sponsored by Representatives Conway, Wood, Green, Moeller, Simpson and Ormsby).

House Committee on Commerce & Labor
House Committee on Appropriations
Senate Committee on Labor, Commerce, Research & Development

Background: Under the Industrial Insurance Act (Act), employers must insure with the state fund managed by the Department of Labor and Industries (Department) or may self-insure if the employer meets certain criteria. The Act permits employers and workers on state fund and self-insured claims to contest orders regarding benefits. Aggrieved parties may appeal directly to the Board of Industrial Insurance Appeals (Board) or may first request reconsideration by the Department. When an appeal is filed, the Department transmits the record to the Board. If the Board does not deny the appeal or allow the relief requested based on the record, the appeal is granted and the appeal proceeds.

The Act allows the Department to adopt policies regarding payment of benefits pending appeal. The Department's written policy, which applies to employers insured with the state fund, states that time-loss benefits are not paid while an employer's appeal is pending unless the issue does not involve the payment of time-loss benefits or the allowance or reopening of the claim, or unless the employer's appeal is unfounded. The Department's policy states that it is intended to avoid unnecessary recoupment costs when an employer prevails. If benefits are not paid and the worker prevails, the worker is entitled to interest on the award.

The Act provides procedures for recovery of benefits overpaid because of clerical error, innocent misrepresentation, an erroneous adjudication as determined by a final decision of the Board or a court, and for other reasons. If benefits are overpaid, the recipient must repay the benefits, and recoupment may be made from future payments due to the recipient on any claim with the state fund or self-insurer, as applicable. Recipients of benefits include workers and health service providers. Under some circumstances, the Director of the Department may waive all or part of the overpayments. If an order assessing an overpayment becomes final, the Department or self-insurer may obtain a warrant in superior court.

Summary: Payment of Benefits Pending Appeal. An order awarding industrial insurance benefits becomes effective and benefits due when the order is issued. Benefits are generally paid pending appeal unless the Board orders a stay or the worker requests that benefits cease. When the Board issues an order granting an appeal, it must notify the worker of the potential for an overpayment and the requirements for interest on unpaid benefits. The worker may request that benefits cease pending appeal by submitting written notice to the employer, the Board, and the Department.

In certain types of appeals, payment of some benefits is stayed without further action by the Board. If the Department orders an increase in a permanent partial disability award upon reconsideration, the worker receives the amount reflected in the earlier order. If a party appeals an order establishing a worker's wages or the compensation rate for purposes of temporary or permanent total disability or loss of earning power benefits, the worker receives payment based on the wage or rate not in dispute. In these cases, payment of an increased award, or at a higher wage or rate, is stayed without further action by the Board pending a final decision on the merits.

Motions to Stay Orders Awarding Benefits. Procedures are established for motions to stay. A motion for a stay must be filed within 15 days of an order granting an appeal. The Board must conduct an expedited review of the claim file as it existed on the date of the Department order. Within 25 days of the filing of the motion or the order granting appeal, whichever is later, the Board must

issue a decision on the stay motion. The Board must grant a motion to stay if the person seeking the stay demonstrates that it is more likely than not to prevail on the facts as they existed at the time of the order. The Board must not consider the likelihood of recoupment of benefits as a basis to grant or deny a stay.

Recoupment From Other Claims. Recoupment of overpayments resulting from an erroneous adjudication may be made from any claim, whether state fund or self-insured. The Department must collect information concerning self-insured claim overpayments and recoup the overpayments from any state fund or self-insurer claims. The Department may also provide overpayment information to a self-insurer from whom payments may be collected on behalf of the Department or another self-insurer. If overpayments are collected in these cases, the self-insurer must pay the Department, and the Department must credit the amounts to the appropriate state funds or forward the amounts to the other self-insurer.

Overpayment Fund Reimbursement. A self-insured employer overpayment reimbursement fund is created to reimburse the reserve fund (for certain amounts paid by the Department on self-insured claims pending appeal) and self-insured employers for benefits overpaid and not recovered. The Director of the Department (Director) must determine an amount to be retained from self-insured employee earnings for deposit into the fund. The moneys collected must be no more than necessary to make the payments on a current basis. A self-insurer must be reimbursed from the fund for any overpayments the Director waives and for any amounts not fully reimbursed within 24 months of the first attempt at recovery through collection from other claims and through court action.

Overpayments to Health Service Providers. Health service providers who provided treatment or services to a worker are not considered recipients of benefits from whom the Department or a self-insurer may recover overpayments as a result of an erroneous adjudication. The Department or self-insurer must first attempt recovery of overpayments from any entity that provided health insurance to the extent that entity would have provided health insurance benefits but for workers' compensation coverage.

Study. The Department is directed to study appeals of workers' compensation cases and collect information on the impacts of the legislation on state fund and self-insured workers and employers. The study must consider the types of benefits that may be paid pending an appeal and must include the frequency and outcomes of appeals, the duration of appeals and any procedural or process changes made by the Board to implement the legislation and expedite the process, the number of and amount of overpayments resulting from decisions of the Board or court, and the processes used and efforts made to recoup overpayments and the results of those efforts.

A report on preliminary results of the study is due to the Workers' Compensation Advisory Committee (Committee) by July 1, 2009. By December 1, 2009, and December 1, 2010, with the final report due by December 1, 2011, the Department must report to the Committee and the appropriate committees of the Legislature on the results of the study. The Committee must provide its recommendations for addressing overpayments, including the need for and ability to fund a permanent method to reimburse self-insured employer and state fund overpayment costs.

The legislation applies to orders issued after the effective date of the act.

Votes on Final Passage:

House	62	32	
Senate	49	0	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	35	14
House	62	35

Effective: June 12, 2008
January 1, 2009 (Section 2)

EHB 3142
C 112 L 08

Creating the affordable housing and community facilities rapid response loan program.

By Representatives Liias, Chase, Walsh, Ericks, Loomis, Miloscia, Rolfes, Linville, Dickerson, Green, Morrell, Kelley, Wood, Nelson, Santos and Ormsby.

House Committee on Housing
House Committee on Capital Budget
Senate Committee on Consumer Protection & Housing
Senate Committee on Ways & Means

Background: The Housing Trust Fund. The Department of Community, Trade and Economic Development (DCTED) provides financial assistance to affordable housing projects for low-income persons through its Housing Trust Fund loan and grant program. Eligible activities for Housing Trust Fund assistance include new construction and rehabilitation, rent subsidies, housing related social services, shelters, acquisition of low-income housing units, and down payment assistance.

There exists a formal process by which eligible organizations may apply for funding. Application periods of at least 90 days duration are announced as often as the DCTED deems appropriate, and applications are accepted and evaluated only during those periods of time. The review process evaluates the merits of a proposal based on need, readiness, capacity of the organization, and the proposed project impact. The review process takes approximately 12 weeks.

Affordable Housing Land Acquisition Program. The 2007 Legislature created the Affordable Housing Land Acquisition (AHLA) program within the DCTED. The AHLA program is managed by the Washington State Housing Finance Commission (HFC).

The AHLA program consists of a revolving loan fund for the acquisition of land on which eligible organizations intend to construct affordable housing and associated facility development. Loan interest rates may not exceed 1 percent. An affordable housing development plan is required as part of the loan application process, and loan recipients must place housing into service within eight years of loan receipt. If a housing development does not comply with the requirements of the AHLA program, a penalty is imposed on the loan recipient which consists of the principal of the loan plus compounded interest calculated at the current market rate at the time the loan was made.

Forty percent of loans must be made to eligible applicants operating homeownership programs for low-income households in which the households participate in the construction of their homes. Sixty percent of loans may be awarded to other eligible organizations.

Summary: Affordable Housing Land Acquisition Program Rental Housing Preservation. Loan recipients must preserve affordable rental housing developed on property for which AHLA loans are received for a minimum of 30 years.

Rapid Response Loan Program. The Rapid Response Loan Program is created within the DCTED. The DCTED must contract with the HFC to administer the program. Through the Rapid Response Loan Program, the HFC will make low-interest (0-3 percent) loans or grants to eligible organizations for the purpose of purchasing land or real property for affordable housing or community facility development. Any rental housing produced or acquired through this Rapid Response Loan Program must be preserved for at least 30 years.

The Rapid Response Loan Fund is a revolving fund.

The HFC must report annually to the DCTED and the appropriate committees of the Legislature on the number of loans and grants that were made, the purpose of the loans and grants, loan and grant recipients, and when the loans are expected to be paid back.

Votes on Final Passage:

House	94	1	
Senate	48	0	(Senate amended)
House	91	2	(House concurred)

Effective: June 12, 2008

SHB 3144

C 151 L 08

Creating a consumer protection web site.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Liias, Loomis, Hunt, Miloscia, Rolfes, Upthegrove, Linville, Green, VanDeWege, Morrell, Conway, Kelley, Nelson, Santos and Ormsby).

House Committee on Technology, Energy & Communications

Senate Committee on Consumer Protection & Housing

Background: Regulatory Assistance. In January of 2006 several state agencies and a representative for local jurisdictions, signed a Project Charter, which created a process to develop and implement a one-stop business portal for Washington citizens and businesses called the Business Portal. In February of 2006 the Governor in Executive Order 06-02 directed all regulatory, taxing, and permitting agencies to improve and simplify service to Washington citizens. Part of that directive was to develop the Business Portal as a single, secure online portal to make licensing, permitting, regulatory approvals or filings, and tax collections easier for businesses.

Approximately 22 state and local government agencies were involved in the development of the Business Portal. The final product was released on June 21, 2007: <http://www.business.wa.gov/>.

The Washington Office of Regulatory Assistance (ORA) was created in the Office of Financial Management in 2003, helps answer permitting questions and provides access to information about state regulations. In addition, the ORA assists with coordinating between the layers of state, local, and federal permit review. The ORA also maintains an extensive website, which includes permitting information and a link to the Business Portal: <http://www.ora.wa.gov/>.

Consumer Protection Information. The Attorney General's Office (AGO) is responsible for enforcing many of the state's consumer protection laws, including the Consumer Protection Act. The Consumer Protection Division of the AGO performs several consumer protection related functions, including educating the public on issues such as identity theft, mediating complaints between consumers and businesses, and administering the state's lemon law for new motor vehicle warranty enforcement.

The AGO maintains some consumer protection related information on its website. In addition, many state agencies provide consumer protection related information on their individual websites.

Summary: The Department of Information Services (DIS) must coordinate among state agencies to develop a consumer protection web site, which will serve as a one-stop web site for consumer information.

At a minimum, the website must provide information or links to information on:

- insurance information provided by the Office of the Insurance Commissioner;
- child care information provided by the Department of Early Learning;
- financial information provided by the Department of Financial Institutions;
- health care information provided by the Department of Health;
- home care information provided by the Home Care Quality Authority;
- licensing information provided by the Department of Licensing; and
- other information available on existing state agency websites that may be helpful to consumers.

By July 1, 2008, state agencies must report to the DIS on whether they maintain resources for consumers that could be made available through the consumer protection website.

The DIS must make the consumer protection website available to the public by September 1, 2008.

By December 1, 2008, the DIS, in coordination with other state agencies, must develop a plan to build on the consumer protection web site to create a consumer protection portal. This plan must also examine of the feasibility of developing a toll-free information line to support the consumer protection portal.

The AGO must conduct a study to: (1) determine the percentage of consumer complaints alleging violations of the Consumer Protection Act (CPA) that are resolved to the consumer's satisfaction; and (2) develop sanctions that the AGO may use if a CPA complaint has merit, and the business fails to respond adequately to the complaint. The AGO must report its findings to the Legislature by December 1, 2008.

Votes on Final Passage:

House	94	0	
Senate	49	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

E2SHB 3145

C 281 L 08

Implementing a tiered classification system for foster parent licensing.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Haler, Roberts, Walsh, Pettigrew, Dickerson, Conway, Green, Goodman, Kenney, Wood and Ormsby).

House Committee on Early Learning & Children's Services

House Committee on Appropriations
Senate Committee on Human Services & Corrections

Background: In 2007 the Legislature enacted HB 1624 creating a work group to study the need for and feasibility of creating tiered classifications for foster parent licensing, including a professional foster parent classification. The work group was facilitated by the Assistant Secretary of the Children's Administration (CA) of the Department of Social and Health Services (DSHS) and the Executive Director of the Northwest Institute for Children and Families (NW Institute) at the University of Washington (UW).

Work group members included representation from the Legislature; Indian tribes; foster parents; the Foster Parent Association of Washington State (FPAWS); child welfare professionals; Partners For Our Children at the UW; and the Washington Federation of State Employees. The work group met five times and held two stakeholder meetings. In addition, two subcommittees of the work group each met three times.

The draft report from the work group was published January 25, 2007, and included the following recommendations:

- (1) The foster care level system should be re-examined for the overall foster care system.
- (2) A specific model of skill-building should be selected for use by specialized foster parents who serve children with behavioral issues.
- (3) The CA should work with foster parents, the UW School of Social Work, and child-serving agencies to further refine a number of specifics relating to implementation of a specialized foster parent program.

Issues identified for further work include the selection process and criteria for specialized foster parents; managing the risks of reduced permanency; how specialized foster parents would fit in the continuum of services for children; and federal funding and individual income tax implications.

Summary: Specialized Foster Home Program. The DSHS must select two or more geographic areas for implementing an intensive resource foster home pilot program (program). In determining the scope of the pilot program, the DSHS must examine areas where high concentrations of children with significant needs are in

foster care; consider areas of appropriate size that will allow for an analysis of the impact of the program on the continuum of out-of-home care providers; and determine the number of children to be served. Implementation of the initial sites should be undertaken with the goal of eventual expansion of the program statewide.

The DSHS must seek recommendations from foster parents and other out-of-home care providers regarding the qualifications and requirements of intensive resource home providers; the needs of children who will be served in the program; and the desired outcomes to be measured or monitored. The DSHS must also consult experts in child welfare, children's mental health, and children's health care to identify evidence-based or promising practice models to be utilized in the program, including the appropriate support to be provided to intensive resource home providers to ensure program fidelity.

Using the recommendations from foster parents, the consultations with professionals from appropriate disciplines, and information from the specialized foster parent work group, the DSHS must:

- (1) define the eligibility criteria for intensive resource home providers;
- (2) define the criteria for identifying children eligible for placement with intensive resource home providers;
- (3) establish rules for placement of children in intensive resource homes, including a limit on the number of children who may be placed;
- (4) identify one or more models of skill-building to be used by intensive resource home providers;
- (5) specify training, consultation, supervision, and support to be provided to intensive resource home providers;
- (6) develop a tiered payment system which may include a stipend to the provider to account for the additional responsibilities intensive resource home providers have with regard to the children placed in their care. Until such time as the DSHS has developed the tiered payment system, payments to intensive home providers under exceptional cost plans must pay only for special services or supplies provided to the child but must not reimburse the provider for services provided to the child under the contract. A stipend of not more than \$500 per month may be used to reimburse the provider for services he or she provides directly to the child;
- (7) establish clearly defined responsibilities for intensive resource home providers; and
- (8) develop a process for annual performance reviews of intensive resource home providers.

Beginning on or before October 1, 2008, the DSHS must begin selecting and negotiating contracts with intensive resource home providers. Contracts must specify at least the following elements:

- (1) the model of treatment and care to be provided;
- (2) the training and ongoing professional consultation to be provided;
- (3) the method for determining any additional support to be provided to the child or the intensive resource home provider;
- (4) the desired outcomes to be measured;
- (5) a reasonable and efficient process for seeking a modification to the contract;
- (6) the rate and terms of payment under the contract; and
- (7) the process for an annual performance review of the intensive resource home provider and an annual assessment of the child.

The DSHS must report to the Legislature and the Governor with an implementation status update by January 30, 2009, and with recommendations for phasing in a statewide expansion of the program by September 1, 2009. The recommendations for expansion must identify the essential elements of the intensive resource home program that should be addressed or replicated as the program is expanded to the next phase.

Implementation of the program is limited to not more than 75 intensive resource homes and use of only those funds specifically appropriated for the pilot program. The DSHS also shall allocate \$200,000 of the appropriation to contract with an agency working in partnership with the University of Washington School of Social Work to implement a constellation hub model of foster care support, as developed by the Mockingbird Society, in areas of the state not currently served by this model.

Votes on Final Passage:

House	72	22	
Senate	46	2	(Senate amended)
House			(House refused to concur)
Senate	47	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 12, 2008

SHB 3149

C 236 L 08

Changing state investment board personnel compensation provisions.

By House Committee on Appropriations (originally sponsored by Representatives Sommers, Haler, Conway, Kenney, Fromhold, McIntire, Anderson and Darneille; by request of State Investment Board).

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The State Investment Board (Board) was established by the Legislature in 1981 to oversee the long-term investment of the state's pension, industrial insurance, and trust funds. These investments are

managed by a staff employed by the Board, as well as outside investment advisors under contract with the Board. The administrative and investment expenses of the Board are paid from the State Investment Board Expense Account, which is funded from the investment earnings of the funds managed by the Board, subject to legislative appropriation.

The executive director and investment officers employed by the Board are exempt from the state civil service laws. Their compensation is determined by the Board. In 2001 the Legislature authorized the Board to establish a retention pool to grant salary increases to address recruitment and retention issues. The compensation level for the investment officers may not exceed the average paid by state funds of a similar size, based on a biennial salary survey. Each year, the salary increases granted by the Board from the retention pool must not exceed an average of 5 percent.

Summary: The Board's retention pool is made a part of the State Investment Board Expense Account. The retention pool may be used to reward performance with incentive compensation and to address recruitment and retention problems pursuant to a performance management and compensation program developed by the Board, based on a biennial compensation survey. The compensation levels must not exceed the average total compensation paid by other public funds of a similar size. Disbursements from the retention pool are made from legislative appropriations on authorization of the executive director or a designee. The salary increase limitation is raised from an average of 5 percent to 30 percent.

Votes on Final Passage:

House	73	22	
Senate	49	0	(Senate amended)
House	91	3	(House concurred)

Effective: June 12, 2008

HB 3151
C 48 L 08

Extending the commencement-of-construction date for a sales and use tax for public facilities districts in national disaster counties.

By Representatives Alexander, DeBolt, Hunt and McCune.

House Committee on Finance
Senate Committee on Ways & Means

Background: Public facilities districts (PFDs) are municipal corporations with independent taxing authority and are taxing districts under the State Constitution. There are two enabling statutes, one for counties (County PFDs) and another for cities and joint arrangements between a group of cities or a county and one or more

cities (City PFDs). The statutes specify governance provisions for these districts.

County PFDs may be created in any county. The boundaries of a County PFD are co-extensive with the boundaries of the county. Many County PFD provisions were modified as part of the baseball stadium legislation in 1995. County PFDs may construct, improve, or remodel sports facilities, entertainment facilities, convention facilities, or regional centers as defined by statute. County PFDs may be funded through a combination of: (1) charges and fees for the use of facilities by organizations; (2) taxes on admission charges; (3) taxes on vehicle parking charges; (4) voter-approved sales and use taxes; (5) credits against the state sales and use tax; (6) lodging taxes; (7) voter-approved property taxes; and (8) bonds. King County contains one County PFD created for the purpose of the construction, maintenance, and operation of Safeco Field, the baseball stadium.

In 2007 legislation was enacted that authorized a City PFD or County PFD created before September 1, 2007, in a county without any existing PFD, to collect a 0.033 percent credit against the state sales and use tax. At the time the resolution creating the PFD was adopted, the population within the boundaries of the PFD had to be greater than 70,000. Lewis County met these requirements and adopted a resolution creating a County PFD on August 13, 2007. As a final requirement to qualify for the credit against the state sales and use tax, Lewis County must commence construction of a new regional center before January 1, 2009.

In December 2007 many areas of western Washington, including Lewis County, had massive flooding. The President declared Washington's flooding a major disaster and designated 11 counties, including Lewis County, as major disaster areas eligible for maximum assistance from the Federal Emergency Management Agency.

Summary: The date the Lewis County PFD, being in a county designated as a disaster area, must commence construction of a regional center to qualify for the 0.033 percent credit against the state sales and use tax is changed from January 1, 2009, to January 1, 2011.

Votes on Final Passage:

House	95	0
Senate	47	1

Effective: July 1, 2008

ESHB 3166

C 163 L 08

Concerning the design of the state assessment system and the WASL.

By House Committee on Education (originally sponsored by Representatives Sullivan, Priest, Haler, Santos and Ormsby).

House Committee on Education
House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education

Background: End-of-Course Assessments. In 2007 the Legislature enacted a policy allowing students through the class of 2012 to graduate from high school without meeting the state standard in mathematics on the high school Washington Assessment of Student Learning (WASL) under certain conditions. Students in the graduating class of 2013 and thereafter will be required to meet the mathematics standard on the WASL or an approved alternative assessment.

The 2007 legislation also directed the State Board of Education (SBE) to examine potential changes to the high school WASL in science and mathematics, focusing primarily on moving to an end-of-course assessment (EOC) in these subjects rather than a comprehensive assessment. The Governor vetoed these particular provisions, but asked the SBE to study EOCs generally. The SBE engaged a national consultant who issued a report in January 2008. The report found that EOCs and comprehensive assessments have much in common, can serve similar purposes, and each have strengths and weaknesses.

Assessment Contractor Request for Proposal (RFP).

In the spring of 2007, the Office of the Superintendent of Public Instruction (OSPI) issued an RFP for a new contractor to assist with development and administration of the WASL and other components of the state assessment system. The previous contract expires at the end of October 2008.

The responses to the RFP indicate a significant increase in costs compared to the previous contract. The OSPI has suggested it would be possible, without negatively affecting the reliability or validity of the assessment, to generate some cost savings by reducing the number of open-ended questions on the elementary and middle school reading, mathematics, and science WASL. This should also reduce the number of testing days. Because it is used as a graduation requirement, the OSPI does not recommend changing the high school WASL.

Summary: Effective with the 2009 administration of the WASL, the OSPI must redesign the elementary and middle school assessment in reading, mathematics, and science by shortening test administration and reducing the number of open-ended questions.

The OSPI must also develop statewide EOCs for high school mathematics in Algebra I, Geometry, Integrated Mathematics I, and Integrated Mathematics II. The Algebra I and Integrated Mathematics I assessments must be available in school districts for optional use in the 2009-10 school year. All four of the EOCs are implemented statewide in 2010-11.

The graduating class of 2013 has the option of meeting the state mathematics standard for graduation purposes using the Algebra I plus the Geometry EOC, the Integrated Mathematics I plus the Integrated Mathematics II EOC, or the WASL.

Beginning with the graduating class of 2014, students must meet the state standard for graduation using the EOCs. Students who take the sequence of EOCs once but do not meet the state standard in mathematics have access to any approved alternative assessment.

The OSPI must report at least annually to the education committees of the Legislature, or more often if necessary, regarding the development and implementation of the EOCs.

Votes on Final Passage:

House	94	0	
Senate	35	12	(Senate amended)
House	92	1	(House concurred)

Effective: June 12, 2008

2SHB 3168

C 164 L 08

Regarding the creation of the Washington head start program.

By House Committee on Appropriations (originally sponsored by Representatives Goodman, Kagi, Walsh, Haler, Roberts, Pettigrew, Hinkle, Sullivan, Kessler, Green, Hudgins, Darneille, McIntire, Liias, Kelley, Kenney, Hankins, Nelson, Santos and Ormsby).

House Committee on Early Learning & Children's Services

House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: In 2006 the Legislature created the Department of Early Learning (DEL) as an executive branch agency. The primary duties of the DEL are to implement early learning policy and to coordinate, consolidate, and integrate child care and early learning programs in order to administer programs and funds effectively.

Washington offers two free early learning programs to preschoolers – Head Start and the Early Childhood Education and Assistance Program (ECEAP). Head Start is a federally-funded program serving about 18,000 children ages 3 to 5 years from low-income families.

Funding for Head Start is 80 percent federal with a 20 percent local match. The ECEAP is a state-funded pre-school program serving about 6,000 children per year. Public and private organizations receive direct funding from the state through a grant process and may then contract with organizations to offer services. The ECEAP-funded programs are offered in settings such as public schools, child care centers, community organizations, and Head Start agencies.

The ECEAP is composed of four interactive components: education, health and nutrition, parent involvement, and family support. It is a community-based, family-focused, comprehensive, pre-kindergarten program designed to help children and families who are in poverty. The program focuses on helping 3- and 4-year-olds prepare for and succeed in school while helping their parents progress toward self-sufficiency.

The ECEAP serves primarily 4-year-olds. Three-year-olds may be served after all eligible 4-year-old applicants have been enrolled. Eligible families for the ECEAP are those at or below 110 percent of the federal poverty level, although up to 10 percent of program slots may be offered to over-income families with developmental or environmental risk factors. Space is also reserved to meet the needs of preschool children of migrant workers or Native Americans.

Summary: The Legislature finds that the ECEAP has served an important role, but its performance standards should be aligned with the Federal Head Start Program. The DEL must develop a plan to implement a statewide Washington Head Start Program by 2010. In doing so, the DEL must identify:

- federal Head Start guidelines, performance standards and measures;
- additional resources needed to meet federal guidelines and standards;
- changes to Washington ECEAP statutes necessary to implement a Washington Head Start Program; and
- current ECEAP programs in Washington offering full-day, year-round children's services, and what steps must be taken to transition these programs into a Washington Head Start Program.

If funding is provided, DEL must identify and report on the implementation of state-supported pilot programs modeled on the Federal Early Head Start Program. The DEL's recommendations must include a timeline, strategy, and funding needs to implement a statewide, state-supported Early Head Start program as a component of the Washington Head Start program.

The DEL is encouraged to work with the Head Start Bureau to get approval for any exceptions needed to provide flexibility and maintain high quality standards in administering a Washington Head Start program. The DEL must seek training and assistance from the state regional office administering Federal Head Start when developing its recommendations.

The DEL is required to consult with: the state ECEAP providers on Indian reservations and across the state; tribal governments operating head start programs and early head start programs; and providers operating migrant and seasonal head start programs, when it is developing recommendations.

The DEL must make recommendations for periodic review of standards and guidelines of the Washington Head Start program so as to incorporate the latest developments in early childhood education.

The DEL must submit a report to the Governor and Legislature by December 1, 2008, with recommendations for implementing a state-supported pilot program modeled on the Federal Head Start Program.

Votes on Final Passage:

House	96	0	
Senate	49	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 12, 2008

E2SHB 3186

PARTIAL VETO

C 301 L 08

Authorizing the creation of beach management districts.

By House Committee on Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representative Nelson).

House Committee on Local Government
House Committee on Appropriations Subcommittee on
General Government & Audit Review
Senate Committee on Water, Energy & Telecommunications

Background: Lake Management Districts. Counties, cities, or towns are authorized to create lake management districts to finance the improvement and maintenance of lakes within or partially within the county, city, or town boundaries. The district may include all or a portion of a lake and the adjacent land areas, and a lake may be in more than one district. More than one lake, or portions of lakes, including adjacent land areas, may be included in a single district.

Lake management districts are created by the adoption of a resolution of intention by a county, city, or town governing body or by filing a petition signed by landowners or the owners meeting specified requirements. The county, city, or town governing body must hold a public hearing on the proposed lake management district at the date, time, and place designated in the resolution of intention.

The county, city, or town governing body must adopt a resolution submitting the question of creating the lake management district to the owners of land within the proposed lake management district, including publicly

owned land. A ballot must be mailed to each owner or reputed owner of any lot, tract, parcel of land, or other property within the proposed lake management district.

The lake management proposal must receive a simple majority vote in favor of creating the lake management district. The county, city, or town governing body must adopt an ordinance creating the lake management district and must proceed with establishing the special assessments or rates and charges, collecting the special assessments or rates and charges, and performing the lake improvement or maintenance activities.

Special assessments or rates or charges may be imposed on property to finance lake improvement and maintenance activities, including:

- studying lake water quality problems and solutions;
- cleaning and maintaining ditches and streams entering or leaving the lake; and
- related administrative, engineering, legal, and operational costs, including the costs of creating the district.

These rates may be imposed annually on all lands within the district for the duration of the district without a related issuance of lake management district bonds or revenue bonds. Special assessments may be imposed in the same manner as local improvement districts, with each land owner having the choice of paying everything at once or in installments with districts bonds being issued.

Sewerage, Water, and Drainage Systems. Counties, as part of a system of sewerage, may provide for, finance, and operate the facilities and services and may exercise any of the powers authorized for: aquifer protection areas; lake management districts; diking districts, and diking, drainage, and sewerage improvement districts; and shellfish protection districts.

Watershed Management. The legislative authority of a city or county and the governing body of any special purpose district enumerated may authorize up to 10 percent of its water-related revenues to be expended in the implementation of watershed management plan projects or activities that are in addition to the county's, city's, or district's existing water-related services or activities.

Flood control districts are allowed to engage in activities authorized for lake management districts.

Summary: A statutory scheme for beach management districts that is analogous to lake management districts is created.

Beach management districts addressing the control and removal of aquatic plants or vegetation must develop a plan for this activity and meet the following requirements:

- avoid or minimize the excess removal of living and nonliving nontarget native vegetation and organisms;

- avoid or minimize management activities that will result in compacting beach sand, gravel, and substrate;
- minimize adverse impacts to the project site, when disposing of excessive accumulations of vegetation, and to other areas of the beach or deep water environment; and
- retain all natural habitat features on the beach, including retaining trees, stumps, logs, and large rocks in their natural location.

The control and removal of native aquatic plants or vegetation is authorized in the following areas:

- beaches or near shore areas located within at least one mile of a ferry terminal that are in a county with a population of one million or more residents; and
- beaches or near shore areas in a city that meets the following: is adjacent to Puget Sound; has at least 85,000 residents; shares a common boundary with a neighboring county; and is in a county with a population of one million or more residents.

Special assessments or rates or charges may be imposed on property to finance lake or beach improvements and maintenance activities, including:

- controlling or removing aquatic plants and vegetation;
- improving water quality;
- controlling water levels;
- treating and diverting storm water;
- controlling agricultural waste;
- studying lake or marine water quality problems and solutions;
- cleaning and maintaining ditches and streams entering or leaving the lake or marine waters;
- monitoring air quality; and
- related administrative, engineering, legal, and operational costs, including the costs of creating the lake or beach management district.

The DOE must, within available funds, provide technical assistance to community groups and county and city legislative authorities requesting assistance with the development of beach management programs. The DOE must work with the Departments of Fish and Wildlife and Natural Resources, and the Puget Sound Partnership to coordinate agency assistance to community groups and county and city legislative authorities.

The DOE must coordinate with relevant state agencies and marine resources committees to provide technical assistance to beach management districts. The DOE must, within available funds, coordinate with relevant state agencies to provide technical assistance to beach management districts to ensure that proposed beach improvement, maintenance plans, and activities are consistent with applicable federal, state, and local laws. The DOE and the Puget Sound Partnership must monitor the removal of native aquatic plants and vegetation on beaches or near shore areas. The DOE and Puget Sound

Partnership must provide recommendations for future area designations.

Votes on Final Passage:

House 85 10
 Senate 34 13 (Senate amended)
 House 64 29 (House concurred)

Effective: June 12, 2008

Partial Veto Summary: Vetoes the Department of Ecology's requirement to provide technical assistance to Beach Management Districts in consultation with the Puget Sound Partnership and vetoes a null and void clause.

VETO MESSAGE ON E2SHB 3186

April 1, 2008

To the Honorable Speaker and Members,
 The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 29 and 30, Engrossed Second Substitute House Bill 3186 entitled:

"AN ACT Relating to beach management districts."

This bill allows cities and counties to create Beach Management Districts, in order to raise funds for the improvement and maintenance of beaches with their boundaries.

Notwithstanding the existing authority provided to Lake Management Districts, Section 29 directs the Department of Ecology to provide technical assistance to Beach Management Districts in consultation with the Puget Sound Partnership. Since the Puget Sound Partnership is developing its first action agenda, the activities contemplated in Section 29 should be considered in relation to all other priorities for the clean up of Puget Sound.

Section 30 is a null and void clause and is unneeded.

For these reasons, I have vetoed Sections 29 and 30 of Engrossed Second Substitute House Bill 3186.

With the exception of Sections 29 and 30, Engrossed Second Substitute House Bill 3186 is approved.

Respectfully submitted,



Christine Gregoire
 Governor

HB 3188

C 237 L 08

Exempting waste vegetable oil from excise tax.

By Representatives Roach, Hurst, McCune and Dunn.

House Committee on Finance

Senate Committee on Ways & Means

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 2.4 percent depending on the location.

The special fuel tax applies to all combustible gases and liquids suitable for generating power to propel motor vehicles, except gasoline. The main types of fuels subject to the special fuel tax are diesel, natural gas, propane, butane, and a certain dyed fuel prescribed by federal law.

Several categories of uses are exempt from the special fuel tax, including using such fuel for street and highway construction and maintenance purposes in government-owned or operated motor vehicles, in publicly owned firefighting equipment, and in special mobile equipment related to construction.

Special fuel subject to the special fuel tax is exempt from retail sales and use taxes. However, if special fuel is exempt from the special fuel tax then retail sales and use taxes usually apply.

Summary: The use of waste vegetable oil used by a person in the production of biodiesel for noncommercial use is exempt from special fuel taxes.

The sale of waste vegetable oil used by a person in the production of biodiesel for noncommercial use is exempt from retail sales and use taxes.

Waste vegetable oil is defined as cooking oil gathered from restaurants or commercial food processors.

Votes on Final Passage:

House 94 1
 Senate 49 0

Effective: July 1, 2008

HB 3200

C 96 L 08

Establishing a cemetery district in a county.

By Representatives Schmick, Simpson, Warnick, Schindler and Sullivan.

House Committee on Local Government

Senate Committee on Government Operations & Elections

Background: Cemetery districts may be established to acquire, maintain, manage, improve, and operate cemeteries and conduct any of the businesses of a cemetery.

A petition to create a cemetery district must be signed by no less than 15 percent of the registered voters residing within the boundaries of the proposed district. The petition must designate the boundaries of the proposed district or describe the lands to be included in the proposed district. After the petition has been verified by the county auditor, the county legislative authority must fix a date and time for the public hearing. If the county legislative authority finds the creation of a cemetery district to be conducive to public welfare and convenience, the legislative authority must designate the name and number of the district and fix the boundaries.

Summary: A proposed cemetery district petition must be signed by no less than 10 percent of the registered voters residing within the boundaries of the proposed district.

A county legislative authority may provide a ballot proposition to create a cemetery district. The ballot proposition must designate the boundaries of the proposed district or describe the lands to be included within the district. The ballot proposition must be submitted to the voters residing within the proposed district.

Votes on Final Passage:

House 95 0
Senate 48 0

Effective: June 12, 2008

E2SHB 3205
C 152 L 08

Promoting the long-term well-being of children.

By House Committee on Appropriations (originally sponsored by Representatives Jarrett, Walsh, Kagi, Roberts, Hunter, Sullivan, Green, Kelley, Morrell, Chase, McIntire, Seaquist and Kenney).

House Committee on Early Learning & Children's Services

House Committee on Appropriations
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: The Federal Adoption and Safe Families Act. The federal Adoption and Safe Families Act (Act) requires states to have a plan for operating a coordinated system of programs of community-based family support services, family preservation services, time-limited family reunification services and, adoption promotion and support services. A state's system of programs and services is intended to demonstrate reasonable efforts to prevent the need for out-of-home placement, and in cases where out-of-home placement is necessary, to make reasonable efforts to reunify the family and, in cases where reunification is not in the child's best interests, to place the child with a permanent family through adoption.

In cases where children have been removed from home, most cases require the offering of time-limited services designed to facilitate the reunification of the child safely and appropriately. The concept of services being time-limited conveys the need to balance the goal of reunification against the child's needs for safety and permanency, with the child's interests being paramount.

The Act requires that when a child has been in out-of-home care for 15 of the past 22 months, a petition for termination of parental rights be filed, unless one of three exceptions applies:

- (1) At the state's option, the child is being cared for by relatives.
- (2) The child's case plan documents a compelling reason why a termination petition would not be in the child's best interests.
- (3) The state has not provided the necessary family reunification services in the time period set out in the case plan.

Timeliness of Dependency Case Processing. Washington law requires permanency planning and review hearings, and declares a preference for achieving the permanency planning goals before the child has been in out-of-home care for 15 months. There is, however, no requirement for a specific judicial finding on the issue of whether a termination petition should be filed when a dependency case reaches the 15-month threshold and the permanency goal for the child has not been achieved.

A recent review by the Administrative Office of the Courts (AOC) regarding the timeliness of dependency case processing in Washington examined 82 percent of dependency cases for which adequate data was available. Of those cases in which a petition for termination of parental rights was filed during 2004, 2005, and 2006 calendar years, 50 percent met this timeliness standard.

Summary: Dependency Case Processing. When a child has been in out-of-home care for 15 of the most recent 22 months since the dependency was filed, the court must require the filing of a petition to terminate parental rights, unless the court finds that filing the petition is not appropriate based on a good cause exception. Examples of good cause exceptions include the exceptions recognized under the Adoption and Safe Families Act, and other compelling reasons identified by the court. If the court makes such a finding, it must be reviewed at all subsequent motion and review hearings pertaining to the child.

Votes on Final Passage:

House 94 0
Senate 49 0 (Senate amended)
House 94 0 (House concurred)

Effective: June 12, 2008

SHB 3206

C 28 L 08

Concerning the information required to be reported in the annual economic impact report on lodging tax revenues.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Haler, Rolfes and Santos).

House Committee on Community & Economic Development & Trade

Senate Committee on Economic Development, Trade & Management

Background: Lodging Tax. The lodging tax, also known as the local hotel-motel tax, is applied to charges for lodging at hotels, motels, rooming houses, private campgrounds, recreational vehicle parks, and similar facilities for continuous periods of less than one month. All cities and counties that levy the tax have adopted the maximum rate of 2.0 percent. The tax is credited against the state retail sales tax of 6.5 percent in order to prevent the customer from incurring an additional tax.

Initially authorized in 1967 to provide King County with a funding source for the building of the KingDome, the lodging tax has been incrementally expanded over the years to cover additional cities, counties, and uses. In 1997 the Legislature repealed the assortment of multiple uses and required that future lodging tax revenues be used for tourism-related purposes.

Tourism Promotion Expenditures. Substitute Senate Bill 5647, enacted in 2007, expanded the definition of "tourism promotion." Lodging tax revenues may now be used for operating expenditures for tourism promotion and for special events and festivals designed to attract tourists. The definition of "tourism-related facility" also was modified to include property owned by a public entity or by a nonprofit organization including 501(c)(6) organizations such as chambers of commerce, destination marketing organizations, and main street organizations.

Substitute Senate Bill 5647 also required local governments that use the lodging tax revenues to submit annual economic impact reports to the Department of Community, Trade and Economic Development (DCTED) beginning January 1, 2008. The reports must include the amount of revenue spent on each tourism-related activity or facility owned by a nonprofit organization and the estimated number of tourists and lodging stays generated by such an activity or facility.

Summary: Beginning with calendar year 2008, a local jurisdiction that uses lodging tax revenues for tourism-related purposes must submit an annual economic impact report to the DCTED for expenditures made on or after January 1, 2008. The report must contain expenditure information for both the local jurisdiction and for section

501(c)(3) and section 501(c)(6) nonprofit organizations. The report must include data on festivals, special events or facilities that are sponsored or owned by the local government or by nonprofit organizations. The report is no longer required to include data on the estimated increase in sales and use tax revenues attributable to special events, festivals, or tourism-related facilities.

Votes on Final Passage:

House	94	1
Senate	46	0

Effective: June 12, 2008

SHB 3212

C 165 L 08

Monitoring and addressing achievement of groups of students.

By House Committee on Education (originally sponsored by Representatives Santos and Hudgins).

House Committee on Education

Senate Committee on Early Learning & K-12 Education

Background: The mission of the Center for the Improvement of Student Learning (CISL) is to serve as a clearinghouse for information, promising practices, and research that promotes and supports effective learning environments for all students, especially those in underserved communities. The responsibilities of the CISL also include identifying strategies for improving the success rates of ethnic and racial student groups with disproportionate academic achievement. The CISL is housed in the Office of the Superintendent of Public Instruction (OSPI).

The Education Ombudsman, housed in the Office of the Governor, shares some of the same responsibilities as the CISL regarding identifying strategies for assisting groups of students with disproportionate academic achievement.

The federal No Child Left Behind Act requires states to report student achievement and progress based on specified groups of students: gender, ethnic and racial groups, students with disabilities, limited English proficient, economically disadvantaged, and migrant. For students with disabilities, Washington reports data based on students qualifying for the special education program.

Section 504 refers to a federal civil rights law enacted as part of the Rehabilitation Act of 1973 that protects people with disabilities from discrimination in areas such as education and the workplace. As recipients of federal funds, schools must take steps to reduce barriers for any disabled student to access learning by making accommodations for them through a Section 504 plan. Students eligible for accommodation under Section 504 are not necessarily eligible for special education. The

OSPI does not collect data, including student achievement data, based on students with a Section 504 plan.

Summary: Along with their other duties, the CISL and the Education Ombudsman must identify strategies for improving success rates for students with disabilities. The CISL will also provide best practices and research information on programs to meet the needs of students with disabilities.

When reporting results on the Washington Assessment of Student Learning, the OSPI must provide results that are disaggregated by at least the following student groups: White, Black, Hispanic, American Indian/Alaskan Native, Asian, Pacific Islander/Hawaiian Native, low income, transitional bilingual, migrant, and special education. Students covered by Section 504 of the Federal Rehabilitation Act are added beginning in the 2009-10 school year.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate			(Senate receded)
Senate	49	0	

Effective: June 12, 2008

SHB 3224
C 127 L 08

Reviewing and conducting studies on providing commuter rail services.

By House Committee on Transportation (originally sponsored by Representatives Loomis, Hunter, Sells and Liias).

House Committee on Transportation
Senate Committee on Transportation

Background: In 2003 the Burlington Northern Santa Fe (BNSF) Railway Company indicated its intent to divest approximately 40 miles of railroad corridor in East King and South Snohomish counties from its operational rail lines. The BNSF asked if there was public interest in maintaining or preserving this corridor for transportation purposes. In response, the Puget Sound Regional Council (PSRC) conducted a series of discussions with: eight jurisdictions along the corridor; the Washington State Department of Transportation (Department); Sound Transit, the regional transit authority serving the region; and several environmental and related interest groups. The resulting recommendation was to preserve the corridor for future transportation uses; however, the Executive Board of the PSRC also recommended that further study be conducted.

Using federal grant funds, a subsequent study was conducted in 2006 by the PSRC's consultant team with extensive oversight from the BNSF Corridor Advisory

Committee. The study covered the rail corridor from Renton to Snohomish, including an eight-mile leg from Woodinville to Redmond, and examined current and potential future transportation uses for this corridor.

Multiple corridor use scenarios were considered and analyzed by the PSRC, including such uses as trail only, trail with current rail, and trail with increased rail. The Department's separate Statewide Rail Capacity and Needs Study, which considered freight rail needs and explored ideas such as a state partnership with private sector companies, assisted the PSRC in reaching the conclusion that there is no strategic value in preserving the BNSF corridor as a freight corridor. The PSRC made final recommendations in January 2007 covering both short-term and long-term uses of the corridor, including the recommendation that the corridor be preserved for establishing a rail corridor trail alignment.

In 2007 leaders from King County, the Port of Seattle (Port), and the BNSF signed two memoranda of understanding formalizing proposals to exchange the BNSF rail for the transfer of the King County International Airport to the Port. In this proposal, King County will take over the BNSF rail line along the eastern edge of Lake Washington, which runs from North Renton to Snohomish. The Port, on behalf of King County, will pay the BNSF \$103 million for approximately 40 miles of the rail line. The Port will also contribute up to \$66 million to King County toward development of a new regional trail, in exchange for the airport. Negotiations to finalize the proposal are ongoing.

Summary: with regard to potential commuter rail service between Eastern Snohomish County and Eastern King County, the regional transit authority serving the Puget Sound region (Sound Transit) is directed to work in conjunction with the Puget Sound Regional Council (PSRC) to review existing studies that contain information on whether commuter rail service can be a meaningful component of the region's future transportation system. If, after reviewing existing studies, it is determined that existing information is insufficient to provide a complete analysis of the corridor, Sound Transit must work with the PSRC to conduct a feasibility study to fill any gaps in information needed to complete their analysis.

A complete analysis of the corridor for commuter rail purposes includes, but is not limited to: an assessment of the number of potential riders in the region; locations that would most benefit from commuter rail service; estimated costs for establishing a bicycle and pedestrian path along or near the Woodinville subdivision; and the ability of existing rail lines to accommodate commuter rail service.

By February 1, 2009, Sound Transit and the PSRC must submit a joint report to the Legislature on its review, analysis, and any feasibility study conducted.

Votes on Final Passage:

House 93 2
 Senate 49 0

Effective: June 12, 2008

E2SHB 3254**PARTIAL VETO**

C 282 L 08

Concerning accountability for persons driving under the influence of intoxicating liquor or drugs.

By House Committee on Transportation (originally sponsored by Representatives Goodman, Pedersen, Simpson, Morrell, Green, Kelley, Kagi and Roberts).

House Committee on Judiciary
 House Committee on Transportation
 Senate Committee on Judiciary
 Senate Committee on Transportation

Background: When a person is arrested for driving under the influence (DUI), the arresting officer must take certain steps, including marking the person's driver's license. The marked license becomes a temporary license valid for 60 days or until the suspension of the person's license is sustained at a Department of Licensing (DOL) hearing, whichever occurs first.

License Suspension of Persons Arrested for DUI.

The arrested person's license may be suspended as a result of an administrative action by the DOL and as a result of a criminal conviction for DUI. Within 30 days of arrest, the person may request a DOL hearing to contest the administrative license suspension. The hearing must be held within 60 days after arrest.

An administrative suspension is based on either refusing to take the breath or blood alcohol concentration test (BAC) when arrested or having a BAC of .08 or higher. Administrative suspension periods last from 90 days to two years, depending on whether the driver refused the BAC and whether there have been prior incidents.

A court-ordered suspension is based on a DUI conviction and, like the administrative suspension, the suspension periods vary depending on the offender's BAC level and prior offenses. License suspensions for DUI convictions range from 90 days to four years.

Ignition Interlock Requirements for Person Convicted of DUI. After the suspension period for a DUI conviction has expired, a person may drive only a vehicle equipped with an ignition interlock device. The device must be installed on any vehicle operated by the driver. However, an ignition interlock device is not required on vehicles owned by the driver's employer. The time periods required for an ignition interlock device are one year, five years, and 10 years for the first, second, and third times the person is required to have

such a device installed. It is a misdemeanor crime for a person who is required to use an interlock to drive without one.

An interlock device is also required as a condition of receiving a temporary restricted license (TRL). A TRL allows a person to drive while his or her regular license is suspended, and is available to persons suspended for various reasons, not just for a DUI conviction or administrative suspension. A TRL may be issued under limited circumstances, such as when the person demonstrates that it is necessary for him or her to drive for work, school, treatment, or other reasons specified in statute.

Other Provisions. Generally, a conviction for DUI is a gross misdemeanor. However, a conviction for DUI is a class C felony if the person has four or more prior DUI-related offenses or the person has a prior Washington conviction for a DUI-related vehicular homicide or DUI-related vehicular assault.

If a person has been arrested for a nonfelony DUI, he or she may petition the court for a deferred prosecution as long as he or she has not previously been granted a deferral. If the petition is granted, the person's prosecution is deferred pending his or her successful completion of alcohol or drug treatment. In order to get a deferral, the petitioner must demonstrate to the satisfaction of the court that, among other things, his or her DUI was the result of alcoholism, drug addiction, or a mental problem for which the person is in need of treatment.

Summary: An ignition interlock license (IIL) is created that authorizes a person to drive a noncommercial vehicle with an ignition interlock device while his or her regular driver's license is suspended for DUI.

Ignition Interlock License. Beginning January 1, 2009, any person who has had or will have his or her license suspended administratively may apply to the DOL for an IIL. The person can apply for an IIL at any time, including immediately after being arrested or after a hearing revoking his or her license. The DOL must require the person to maintain the device on all vehicles operated by the person for the remainder of the period of suspension.

A person receiving an IIL waives his or her right to a DOL hearing on the administrative suspension of the person's regular license. The time period during which a person must request a hearing after being arrested for DUI is shortened from 30 days to 20 days. Temporary restricted licenses will not be available to persons who are convicted of a DUI.

For those persons convicted of DUI based on alcohol use, the court must order that the offender apply for an IIL. The court may waive the requirement if the offender does not own a car, is not eligible to receive an IIL, or ignition interlocks are not available in the offender's area. If waived, the court must order the offender to submit to alcohol monitoring. The period of time required

for interlock use or alcohol monitoring for convicted persons is one year, five years, or ten years, depending on whether the person has previously been required to have an interlock device.

Costs. The applicant must pay a \$100 licensing fee for an ignition interlock license. The money is transmitted to the state treasurer in the same manner as other driver's license fees. Unless costs are waived by the ignition interlock company or the person is indigent, the person must pay for installing, leasing, and removing the device plus an additional \$20 per month. Payments are made to the ignition interlock company, and the company must remit the additional \$20 per month to the DOL to be deposited into the Ignition Interlock Device Revolving Account (Account). Expenditures from the Account may only be used to assist indigent persons with the costs of installing, removing, and leasing the device and applicable licensing. The DOL must administer the revolving Account program and adopt rules to provide monetary assistance based on the greatest need and available funds.

Requirements for Ignition Interlock Licenses. A person is not eligible to get an IIL if the person has committed any vehicular homicide or vehicular assault within seven years prior to the current DUI.

An ignition interlock device is not required on cars owned by the person's employer and driven as a requirement of employment during working hours. The person must provide the DOL with a declaration from the employer that the person is required to drive a vehicle owned by the employer.

The DOL must notify the person that the IIL will be canceled when the DOL receives evidence that a functioning device is no longer installed. The license will be canceled 15 days from the mailing of the notice, but if the person proves that a functioning device has been installed, the cancellation will be stayed. If the license is cancelled, the person may obtain a new IIL at no charge upon proving that a device has been installed. The DOL must cancel the IIL if the person has been convicted of operating a motor vehicle in violation of the IIL restrictions or if the driver is convicted of a separate offense that would warrant a suspension of a regular license.

Pilot Program. A pilot program to monitor compliance of persons required to use the devices and of interlock companies and vendors is created within the Account program. The DOL, Washington State Patrol (WSP), and Washington Traffic Safety Commission (WTSC) must establish the pilot program targeting at least one county in Eastern Washington and one county in Western Washington. In addition, the WTSC must track recidivism of persons required to have an ignition interlock license.

Other Provisions. A conviction for violating a restriction of an IIL requires immediate revocation of the license and is punishable by a fine of not less than \$50

nor more than \$2,000 and/or imprisonment for not more than six months. In addition, it is the crime of Driving While License is Suspended (DWLS) if a person drives while his or her ignition interlock license is revoked.

The deferred prosecution statutes are amended to allow for a deferral for persons not needing treatment. A person charged with a nonfelony DUI and who has no prior DUI-related offenses may be eligible for deferred prosecution if the person has been found not to need treatment for alcoholism, drug addiction, or mental problems. The offender must be assessed by a certified chemical dependency counselor and a licensed mental health professional. As a condition of granting a deferred prosecution, the court must order that the person apply for an IIL and install an ignition interlock device in all vehicles operated by the person.

The felony DUI law is amended. It is a felony DUI if the offender has a prior out-of-state conviction that is comparable to a Washington conviction for DUI-related vehicular homicide or DUI-related vehicular assault.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 12, 2008

January 1, 2009 (Sections 2, 4-8, and 11-14)

Partial Veto Summary: The governor vetoed the provision authorizing deferred prosecution for certain DUI offenders who do not need treatment.

VETO MESSAGE ON E2SHB 3254

March 31, 2008

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 18, Engrossed Second Substitute House Bill 3254 entitled:

“AN ACT Relating to accountability for persons driving under the influence of intoxicating liquor or drugs.”

Prevention of driving under the influence (DUI) collisions is a priority of my administration. The Ignition Interlock Driver's License will further our state's efforts to prevent DUI related fatalities on our roadways. The use of ignition interlocks has been proven to reduce future incidents of DUI among individuals who have been required to have the devices installed in their cars. However, I am concerned about potential unintended consequences of Section 18.

Section 18 allows first time offenders to receive a deferred prosecution, even if they are found not to have a drug or alcohol addiction. Current law only allows for deferred prosecution if a person is assessed to have a drug or alcohol addiction and agrees to receive treatment for their addiction.

This section presents a change in public policy, which may well promote public safety, but I believe further review is necessary before making this change. Therefore, I am vetoing this section and encourage stakeholders to consider the merits of this change over the interim. I am also directing the Division of Alcohol and Substance Abuse to review the current treatment assessment process to make sure we are getting accurate assessments. I also want them to determine if alternatives to treatment such as the one proposed in Section 18 might be a more cost-

effective approach to public safety in certain instances involving first time DUI offenders.

For these reasons, I have vetoed Section 18 of Engrossed Second Substitute House Bill 3254.

With the exception of Section 18 of Engrossed Second Substitute House Bill 3254 is approved.

Respectfully submitted,



Christine Gregoire
Governor

2SHB 3274

C 130 L 08

Addressing public contracting by public port districts.

By House Committee on Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Simpson, Hudgins, Uptegrove, Hunter, Santos and Kenney).

House Committee on Local Government
House Committee on Appropriations Subcommittee on
General Government & Audit Review
Senate Committee on Government Operations & Elections

Background: In 1911 the Legislature authorized the Port District Act allowing citizens to create port districts. Today, there are 75 port districts in Washington.

General Powers and Authority of Port Districts. Port districts are authorized for the purpose of acquisition, construction, maintenance, operation, development, and regulation of harbor improvements, rail or motor vehicle transfer and terminal facilities, water and air transfer and terminal facilities, or any combination of these facilities.

Among the general powers granted to ports are the following:

- to acquire land, property, leases, and easements;
- to condemn property and exercise the power of eminent domain;
- to develop lands for industrial and commercial purposes;
- to impose taxes, rates, and charges;
- to sell or otherwise convey rights to property; and
- to construct and maintain specified types of park and recreation facilities.

Governance of Port Districts. Port districts are governed by a board of commissioners consisting of either three or five members in accordance with specified statutory criteria. Port commissioners are nominated either by commissioner district or, under certain circumstances, at-large. In all districts, port commissioners are elected at-large. Subject to voter approval, a port district with five commissioners may be authorized to have two commissioners who are both nominated and elected at-large.

Public Contracting Processes. Public entities, including port districts, must use the public works contracting provisions for all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or municipality, or which is by law a lien or charge on any property therein. A contract is awarded based on a formal decision by the state or municipality notifying the responsible bidder with the lowest responsive bid of the state or municipality's acceptance of the bid and intent to enter into a contract with the bidder. However, a public entity may use the small works roster for construction, building, renovation, remodeling, alteration, repair, or improvement of real property with an estimated cost of \$200,000 or less. Under this process, quotations are solicited from at least five small works roster contractors, unless the estimated cost is between \$100,000 and \$200,000, in which case all qualified contractors on the roster must be notified.

Public entities may use a specified procurement process for professional services rendered by any person, other than an employee of the agency, contracting to perform activities within the professional practice of architects, engineers and land surveyors, or landscape architects. The agency negotiates a contract with the most qualified firm for architectural and engineering services at a price which the agency determines is fair and reasonable to the agency. In making its determination, the agency must take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature thereof.

State agencies use competitive solicitation for personal service contracts. Personal services include professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement. It does not include architect and engineer services procured under the professional services procurement law. Competitive solicitation is a documented formal process providing an equal and open opportunity to qualified parties and culminating in selection based on criteria which may include such factors as the consultant's fees or costs, ability, capacity, experience, reputation, responsiveness to time limitations, responsiveness to solicitation requirements, quality of previous performance, and compliance with statutes and rules relating to contracts or services.

2007 Performance Audit by the State Auditor's Office. Pursuant to Initiative 900, the State Auditor's Office, with the private firms of Cotton & Company and CDR Consultants, audited the Port of Seattle. The audit scope included all construction projects and related consulting agreements from January 2004 through March 2007.

The audit identified significant and widespread issues related to contracting and contract management by the Port of Seattle and made 51 recommendations to address these conditions. Among the 51

recommendations are several statutory changes the State Auditor recommends to the Legislature. Found in Appendix C of the Washington State Auditor's Performance Audit Report: Port of Seattle Construction Management of December 20, 2007 (Report No. 100008), these recommendation include:

- clarifying that competitive contracting requirements apply to consulting and other services;
- clarifying that penalties for violations of competitive contract laws apply to the procurement of consulting and other services;
- addressing whether state and local governments have wide latitude regarding sole source contracts for goods and services; and
- revising the small works roster contract procedures to remove a port district exemption.

Summary: Public Contracting (In General). All public works projects by a port district, the estimated cost of which exceeds \$200,000, must be bid using a competitive bid process under the public work statutes; however, a port district may use the small works roster for projects with an estimated cost of less than \$200,000.

Beginning January 1, 2010, all port districts, with gross revenues that exceed \$10 million (excluding loans and grants), must maintain a database on a public web-site of all contracts.

Each port district commission (commission) must establish by resolution the policies by which the competitive bid requirements may be waived.

If a port district is procuring the planning services from a public work consultant relating to a facility outside the port district's jurisdictional boundaries, after the district has purchased property for the facility, the port district with the responsibility for the future property development use must make available to the public in the affected area certain information. The information that must be available includes: the type and scale of proposed uses on the site; the type and scale of business and industrial activities the development is likely to later attract to the site and the nearby area; the general character and scope of impacts on air quality, noise, water resources and recreation; and the expected impacts on local and state transportation infrastructure. This information must be made available throughout the planning and the design phases and may be accomplished by the use of web pages, office inspection and copying, property tours and public meetings.

Competitive Contracting for Personal Service Contracts. A new chapter is created in the port districts title similar to the law that governs state agency personal service contracting. This new chapter requires competitive solicitation for personal service contracts, including consultants. "Competitive solicitation" means a documented formal process providing an equal and open opportunity to qualified parties and culminating in selection based on criteria. Criteria other than price may be the primary

basis for selection. The criteria may include ability, capacity, experience, reputation, and other factors. Exceptions to the competitive solicitation requirement exist if the contract is: an emergency contract; a sole source contract; a contract of less than \$50,000, (the port district must show competition for contracts between \$50,000 and \$250,000); and other contracts exempted by the commission.

Substantial changes in the scope of work of a personal service contract must be referred to the commission for a determination on whether the change warrants the work to be awarded as a new contract. An amendment or series of amendments that cumulatively exceed 50 percent of the value of the original contract must be filed with the commission and made available for public inspection prior to the effective date.

Certain types of contracts are exempted from competitive solicitation under the new chapter. These exceptions include contracts for a fee less than \$50,000, intergovernmental agreements, and architects' and engineers' contracts. In the case of an emergency contract, the contract must be filed with the commission within seven working days following the commencement of work or execution of the contract, whichever is first.

Sole source contracts must be filed with the commission and made available for public inspection prior to the proposed starting date of the contract. Documented justification for sole source contracts must be provided to the commission.

Commissioners or employees must not authorize any personal service contracts without complying with the chapter. Failure to comply with the chapter subjects commissioners and port district employees to a \$300 penalty. A consultant who knowingly violates the chapter is subject to a civil penalty of \$300 or 25 percent of the contract, whichever is greater.

Accountability Provisions. The Municipal Research and Services Center, in cooperation with the Washington Public Ports Association (WPPA) is required to adopt guidelines for the effective and efficient management of personal service contracts by all port districts. After January 1, 2010, a port entering into or amending personal service contracts must follow policies adopted by the commission, which shall be based on the guidelines. In addition, the WPPA is required to provide training for port district personnel responsible for contract execution and management.

Consulting, architectural, engineering, and other services are added to the remedies and penalties section of the public contracting title. Therefore, the willful and intentional violation of any law, charter, ordinance, resolution, or rule requiring competitive bidding, including consulting, architectural, engineering, and other services, subjects a municipal officer or his or her staff to a civil penalty of not less than \$300. He or she may also be

held liable, jointly and severally, for all consequential damages to the municipal corporation.

Votes on Final Passage:

House	93	1	
Senate	49	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

HB 3275

C 49 L 08

Revising the taxation of grocery distribution cooperatives.

By Representatives Linville, Ericksen, Morris and McIntire.

House Committee on Finance
Senate Committee on Ways & Means

Background: Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions, and other tax incentives permitted by law. Major tax rates are 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and 1.5 percent for services; several lower rates also apply to specific business activities. The B&O tax generates about 16 percent of all state tax collections; most of the receipts are deposited in the State General Fund.

A specialized deduction was adopted in 2001 for certain grocery cooperatives. This provided that member-owned associations were not subject to B&O tax on wholesale distributions (except for fresh meat products) from the association to its member grocery stores, as long as the cooperative retained title to the goods. The deduction requires that the cooperative must have been found to be not engaged in making wholesale sales to its member stores by a court of record. Further, it may not subsequently change its distribution practices so that it does make wholesale sales to its members. Any commission income retained by the association is subject to the 1.5 percent service tax rate.

Summary: The deduction for wholesale distributions to member grocery stores by grocery cooperatives is broadened to continue the same tax treatment if a cooperative that is eligible for the deduction is acquired by another grocery distribution cooperative.

Votes on Final Passage:

House	94	0
Senate	49	0

Effective: 6/12/08

SHB 3283

C 184 L 08

Relieving active duty military personnel of interest and penalties on delinquent excise taxes.

By House Committee on Finance (originally sponsored by Representatives Herrera, Takko, Orcutt, Hurst, Eddy, Sump, Ericks, Fromhold, McCoy, Hudgins, Kelley, Kessler, Dunn, Ormsby, Linville, Roach and McCune).

House Committee on Finance
Senate Committee on Ways & Means

Background: A variety of penalties apply to the late payment of state excise taxes and to failure to file a tax return, failure to obtain a business registration, and failure to pay at least a substantial portion of the tax that is due. Penalties also apply to assessments involving filing of a warrant against the taxpayer and for intentional evasion. Interest is added to the amount of outstanding taxes but not to the amount of any penalties that are assessed.

Summary: Penalties or interest for state excise tax purposes may not be levied against any business in which the majority owner is a member of the armed forces during the period that the person: (1) is on active duty, (2) is participating in an armed conflict, and (3) is assigned to a location outside of the United States. The waiver is limited to a two-year period.

In order to qualify for the waiver, the firm's gross income cannot exceed \$1 million for the year prior to the year the owner was assigned to military service outside the country.

The Department of Revenue is required to provide information concerning the waiver on all notices of penalties or interest sent to all taxpayers during periods of armed conflicts. In order to claim the waiver or cancellation of excise tax penalties or interest under this provision, an eligible taxpayer is required to submit to the Department a copy of the orders which require the individual to be deployed outside the country.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008

ESHB 3303

C 283 L 08

Concerning tax incentives for certain polysilicon manufacturers.

By House Committee on Finance (originally sponsored by Representatives Grant, Walsh, Haler and Linville).

House Committee on Finance
Senate Committee on Ways & Means

Background: Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions, and other tax incentives permitted by law. Major tax rates are 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and 1.5 percent for services; several lower rates also apply to specific business activities. The B&O tax generates about 16 percent of all state tax collections; most of the receipts are deposited in the State General Fund.

Several of the tax incentive programs require annual reporting of employment and other information, in order to provide data necessary for the evaluation of the incentive program.

Summary: A credit against B&O tax liability is established for pre-production development expenditures by a polysilicon manufacturing firm. In order to qualify for the tax credit, a polysilicon manufacturer must invest at least \$500 million in the facility. The amount of credit claimed by a single firm is limited to \$1 million annually. The investment must occur in a county which borders Oregon and which has a population between 50,000 and 100,000.

The amount of credit is equal to 7.5 percent of qualified pre-production development expenditure by the facility. Pre-production development comprises research, design, and engineering necessary prior to actual manufacturing of the product; it includes discovery and application of technology and the design of manufacturing processes and tooling. Qualified expenditures include wages, benefits, and training of employees involved in the design and engineering of a polysilicon manufacturing facility.

Expenditures for actual manufacturing activities or other production-oriented activities do not qualify for the credit. Also, capital costs and overhead, including the cost of land, structures and acquisition of utility services do not qualify.

Annual reporting of employment, wage, benefit and other data is required by participants. The accountability reporting statute is amended to transfer the evaluation of various tax incentive programs from legislative fiscal staff to the Joint Legislative Audit and Review Committee (JLARC). The initial report by JLARC is due by

November 1, 2010, for aerospace tax incentives and by November 1, 2014, for the new polysilicon manufacturing incentive.

This legislation is null and void if a port district does not sign a memorandum of understanding with a qualifying polysilicon manufacturer by October 1, 2008, to locate a facility within the county.

The credit applies to expenditures made after January 1, 2008; however, the credit may not be taken until July 1, 2009. Unused credits in any year may be carried forward until fully utilized. The B&O tax credit expires on July 1, 2024.

Votes on Final Passage:

House 95 0
Senate 48 0

Effective: June 12, 2008

ESHB 3329

C 205 L 08

Prioritizing four-year higher education institutions' capital project requests.

By House Committee on Capital Budget (originally sponsored by Representatives Fromhold, McDonald, Ormsby, Wallace, Alexander, Sells and McIntire).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Washington adopts a biennial capital budget each odd-numbered year, appropriating moneys for a variety of capital projects and programs. State agencies, including higher education institutions, prepare and submit budget requests to the Office of Financial Management (OFM) in the fall of each even-numbered year for consideration in the biennial capital budget. The Governor evaluates the requests and submits a proposed budget to the Legislature prior to the legislative session.

Washington has six public four-year institutions of higher education: the University of Washington, Washington State University, Central Washington University, Eastern Washington University, The Evergreen State College, and Western Washington University. The state is budgeted to incur \$356 million of new general obligation bond indebtedness during the 2007-2009 fiscal biennium to support capital construction and renovation projects at these institutions. Additionally, the state will expend \$146 million from the Education Construction Account, student building fees, and other cash accounts to finance capital projects at the six four-year institutions.

Beginning in the 2005-2007 fiscal biennium, statute has required the six public institutions to work together to prepare a unified budget proposal that ranks all of the institutions' individual project proposals into a single prioritized list. The Higher Education Coordinating Board

(HECB) establishes common definitions, project categories, and general priorities that the four-year institutions use in developing the prioritized list. The governing boards of each of the six institutions review and approve the single prioritized list. If one or more of the governing boards do not approve the proposed single list, the HECB is to prepare the prioritized list.

In 2005 and 2007, the Legislature provided additional guidance to refine the methodology used for the ranking of proposed four-year projects. Additional guidance included the following: (1) greater emphasis must be placed on the early review of project proposals at the pre-design phase and on the bow-wave implications of proposed projects; (2) the assignment of points should not be based on assigning an equal number of overall points to each four-year institution; (3) the ranking process must address statewide priorities; (4) the comparable facility condition information developed by the Joint Legislative Audit and Review Committee (JLARC) should be used; (5) projects must not be ranked on the basis of a project's proposed funding source; and (6) an explanation of how proportionality factors relate to statewide priorities must be provided to the Legislature.

The State Board for Community and Technical Colleges (SBCTC) also recommends a single prioritized list of all proposed community and technical college capital budget proposals. Under the SBCTC system, colleges do not score their own projects; individual colleges do not have the authority to veto the system-wide proposal; each project is scored and prioritized within a single category according to its primary purpose; and system officials develop the single prioritized list based on an assessment of the relative amount of resources that should be devoted to each type of project, with the goal of providing for an orderly and sequential expenditure pattern over the ensuing three biennia.

The HECB submits recommendations on the HECB's priorities and the proposed capital budgets of the community and technical colleges and four-year institutions to the OFM by October 1 of each even-numbered year, and to the Legislature by January 1 of each odd-numbered year.

Summary: The current responsibilities of the HECB and the four-year institutions of higher education with regard to prioritizing capital project proposals are repealed. Instead, the OFM, in consultation with the legislative fiscal committees and the JLARC, must develop common definitions and a scoring system and process that is to be used for scoring the four-year institutions' project requests. The scoring system and process is based on the framework used by the SBCTC.

By October 15 of each even-numbered year, the OFM must complete an objective analysis and scoring of all capital budget projects proposed by the four-year institutions, in consultation with the legislative fiscal committees, and must submit the results of its scoring to

the legislative fiscal committees, the HECB, and the four-year institutions. For 2008, the analysis and scoring process must be completed by November 1.

Each proposed project is to be scored within a single project category according to its primary purpose. The project categories are: (1) enrollment growth; (2) replacement and renovation; (3) major campus infrastructure; (4) research projects that promote economic growth and innovation; and (5) other project categories as determined by the OFM and the legislative fiscal committees. The scoring of capital projects must occur within the context of performance agreements developed between the OFM and the four-year institutions.

The OFM must distribute common definitions, the scoring system, and other information required for project proposals and the scoring process as part of its biennial budget instructions. For the 2009-11 budget development cycle, this information must be distributed by the OFM by July 1, 2008.

In developing any scoring system for capital projects proposed by the four-year institutions, the OFM may utilize independent services to verify, sample, or evaluate information provided to the OFM by the four-year institutions.

By August 15 of each even-numbered year, beginning in 2008, each four-year institution must prepare and submit prioritized lists of the individual projects proposed by the institution for the ensuing six-year period in each project category. On a pilot basis, the OFM must require one research university to prepare two separate prioritized lists for each category, one for the main campus, and one covering all of the institution's branch campuses.

The HECB's capital budget recommendations to the Governor and Legislature must include the relative share of the higher education capital budget that the HECB recommends be assigned to each project category and to minor works program and preservation projects.

The OFM is required to conduct and submit a higher education capital facility financing study to the Governor and Legislature by December 1, 2008. In designing and conducting the study, the OFM must consult with legislative and fiscal committee leadership, the Department of Revenue, the State Investment Board, the HECB, the SBCTC, and the four-year institutions of higher education. The study must include: (1) a review of the methods that are used to fund higher education in other states; (2) an examination of alternatives for reducing facility construction and maintenance expenditures per student through various strategies; and (3) an assessment of the strengths and weaknesses of potential new revenue sources that might be applied to the funding of higher education facilities.

Votes on Final Passage:

House 94 0
Senate 49 0 (Senate amended)
House 97 0 (House concurred)

Effective: June 12, 2008

EHB 3360
C 187 L 08

Increasing the availability of funds for the time certificate of deposit investment program.

By Representatives Hasegawa and Santos.

House Committee on Finance
Senate Committee on Ways & Means

Background: The Linked Deposit Program (Program) was created in 1993. The stated purpose of the program is to increase access to business capital for the state's certified minority-owned and women-owned businesses. Under the Program, certified businesses may obtain reduced interest rate loans from participating financial institutions.

The State Treasurer is authorized to use up to \$150 million of short-term state treasury surplus funds for the Program. These funds are deposited with public depositories as certificates of deposit (CDs) on the condition that the public depository make "qualifying loans" under the Program. The state forgoes up to 2 percent in interest on the CDs and passes along the savings to the public depository with the condition that the depository reduce the interest rate for the loan recipients. The State Treasurer must reduce the amount of the preference to ensure that the effective interest rate on the certificate of deposit is not less than 2 percent. If the preference given to a qualified public depository is less than 200 basis points, the qualified public depository may reduce the interest rate on the loans by an amount that corresponds to the reduction in the preference below 200 basis points.

Qualifying loans are loans:

- made to certain minority or women's business enterprises;
- for a period not to exceed 10 years;
- for up to a maximum amount of \$1 million for each individual loan;
- at an interest rate that is at least 2 percentage points below the market rate that normally would be charged for a loan of that type; and
- with points or origination fees that are limited to 1 percent of the loan principal.

To be eligible, the applicant must:

- be a minority and/or a woman;
- have at least 51 percent of ownership of the business; and
- control the business.

Three state agencies are involved in the Program. The State Treasurer is authorized to fund the Program. The Office of Minority and Women's Business Enterprises (OMWBE) certifies the eligibility of the businesses, monitors the performance of loans, and compiles information on borrowers in the Program. The Department of Community, Trade and Economic Development provides technical assistance and loan packaging services and, in consultation with the OMBWE, develops performance indicators for the Program.

The Department of Veterans Affairs (DVA) is required to maintain a current list of veteran-owned businesses and provide the list on the DVA's public website. To qualify as a veteran-owned business, the business must be at least 51 percent owned and controlled by a veteran or an active or reserve member of the armed forces.

Summary: The State Treasurer is authorized to use an additional \$25 million of short-term state treasury surplus funds for the existing Linked Deposit Program for minority or women-owned businesses.

The State Treasurer is authorized to use an additional \$15 million of short-term state treasury surplus funds for a new Linked Deposit Program for veteran-owned businesses. To participate in the Linked Deposit Program, a veteran-owned business must be certified by the DVA that it meets three requirements:

- (1) the veteran owner has sufficient expertise in the business's field of operation;
- (2) the veteran-owned business is a for-profit organization performing a commercially useful function; and
- (3) the veteran-owned business satisfies the criteria for small business concern.

The \$25 million and \$15 million increases for minority or women-owned businesses and veteran-owned businesses, respectively, bring the total amount available for the Linked Deposit Program to \$190 million.

The Department of Veterans Affairs is required to report to the Legislature by December 1, 2008, on the progress made in implementing the Linked Deposit Program for veteran-owned businesses.

Votes on Final Passage:

House 94 1
Senate 40 9 (Senate amended)
House 97 0 (House concurred)

Effective: June 12, 2008

HB 3362

C 284 L 08

Providing tax incentives to encourage businesses to purchase highly energy efficient equipment.

By Representative Kelley.

House Committee on Finance

Senate Committee on Ways & Means

Background: Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions and other tax incentives permitted by law. Major tax rates are 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and 1.5 percent for services; several lower rates also apply to specific business activities. The B&O tax generates about 16 percent of all state tax collections; most of the receipts are deposited in the State General Fund.

Energy Star. In 1992 the U.S. Environmental Protection Agency (EPA) introduced Energy Star as a voluntary labeling program designed to identify and promote energy efficient products to reduce greenhouse gas emissions. Computers and monitors were the first labeled products. In 1995 the EPA expanded the label to additional office equipment products and residential heating and cooling equipment. The Energy Star label is now on major appliances, office equipment, lighting, home electronics, and other products. The EPA has also extended the label to cover new homes and commercial and industrial buildings.

Consortium for Energy Efficiency (CEE). The CEE is a nonprofit organization comprised of energy efficiency organizations; electric, gas, and water utilities; research and development organizations; state and provincial energy offices in the United States and Canada; and regional energy programs. The CEE promotes the use of energy-efficient products, technologies, and services. The CEE has adopted specifications for various levels of energy savings for a variety of products.

Summary: A new credit is adopted against state B&O tax for certain small businesses for purchases of certain types of commercial appliances which carry Energy Star or CEE ratings for energy-efficiency:

- freezers and refrigerators;
- washing machines;
- ice makers;
- gas convection ovens;
- deep fat fryers;
- hot food holding cabinets; and
- steam cookers.

The credit is equal to 8.8 percent of the purchase price. Eligible purchases of energy-efficient appliances must be made on or after July 1, 2008, and before July 1,

2010. To qualify for the credit, the firm's gross income for the prior calendar year must not exceed \$750,000. Further, there is a cap on the amount of credit granted to all taxpayers of \$750,000.

The Department of Community, Trade and Economic Development (CTED) is required to report on the energy and cost savings as a result of this tax incentive. The CTED report is due to the Legislature on December 30, 2010.

The B&O tax credit expires on July 1, 2010.

Votes on Final Passage:

House	94	0	
Senate	49	0	(Senate amended)
House	95	2	(House concurred)

Effective: July 1, 2008

SHB 3374

C 179 L 08

Regarding general obligation bonds for flood hazard mitigation projects and school facilities.

By House Committee on Capital Budget (originally sponsored by Representatives Fromhold, McDonald, VanDeWege, Alexander and DeBolt).

House Committee on Capital Budget

Senate Committee on Ways & Means

Background: Washington periodically issues general obligation bonds to finance projects authorized in the capital and transportation budgets. General obligation bonds pledge the full faith and credit and taxing power of the state toward payment of debt service. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate. The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds.

Bond authorization legislation generally specifies the account or accounts into which bond sale proceeds are deposited, as well as the source of debt service payments. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the State General Fund and deposits them into the bond retirement funds.

Washington's indebtedness is limited by both a statutory and a constitutional debt limit. The State Treasurer may not issue any bonds that would cause the debt service on the new, plus existing bonds, to exceed 7 percent of general state revenues averaged over three years in the case of the statutory limit and 9 percent under the constitutional limit. For purposes of the debt limit, "general state revenues" is defined in the State Constitution and by statute.

There are several categories of state general obligation debt that are excluded from the 9 percent constitutional debt limit including: (1) voter-approved debt; (2) bonds payable from the gas tax and motor vehicle license fees; (3) bonds payable from income received from the investment of the Permanent Common School Fund; (4) debt issued to meet temporary deficiencies in the State Treasury and debt issued to pay current expenses of state government; (5) debt issued in the form of bond anticipation notes; (6) debt payable solely from revenues of particular public improvements; (7) debt that has been refunded; and (8) state guarantee of voter-approved general obligation debt of school districts.

In December 2007 a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in the counties of Grays Harbor, Kitsap, Lewis, Mason, Pacific, and Thurston. Federal funding assistance was made available following this declaration.

At statehood, the Enabling Act granted certain lands to the state to be held in trust for various public purposes. Article IX of the State Constitution reflects the Enabling Act by establishing the Permanent Common School Fund and the Common School Construction Fund. There are also five other permanent funds.

The Department of Natural Resources transfers proceeds from the sale of stone, minerals, or property other than timber and crops for school and state land to the Washington State Investment Board for investment in the Permanent Common School Fund. Earnings of the Permanent Common School Fund are deposited in the Common School Construction Fund, which is appropriated for K-12 school construction.

Summary: The State Finance Committee is authorized to issue \$50 million in state general obligation bonds for federally matched flood hazard mitigation projects and other projects throughout the Chehalis River basin.

The State Finance Committee is also authorized to issue \$100 million in state general obligation bonds to finance school construction assistance grants and capital improvements related to skill centers. The State Treasurer is required to withdraw funds from that portion of the Common School Construction Fund derived from the investment income on the Permanent Common School Fund to make the principal and interest payments on the bonds. The proceeds from the sale of skill center bonds must be deposited into the Skill Centers Building Account, an appropriated account created in the bill. The bill exempts the skill center bonds authorized in the bill from the 7 percent statutory debt limit. The Superintendent of Public Instruction is required to adopt rules that set a 10 percent minimum local project contribution threshold for major skill center projects, unless there is a rationale not to do so, given economic conditions or other compelling circumstances.

The State Treasurer is required to withdraw from state general revenues the amounts necessary to make the principal and interest payments on the bonds authorized in the bill and to deposit these amounts into the Bond Retirement Account.

Votes on Final Passage:

House	96	0	
Senate	43	4	(Senate amended)
House	97	0	(House concurred)

Effective: March 27, 2008

HB 3375
C 180 L 08

Appropriating funds for catastrophic flood relief.

By Representatives Alexander, Hunt, VanDeWege, DeBolt, Takko and Blake.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: In December 2007 a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in the counties of Grays Harbor, Kitsap, Lewis, Mason, Pacific and Thurston. Federal funding assistance was made available following this declaration.

Summary: The sum of \$50 million is appropriated to the Office of Financial Management (OFM), working with and through other state agencies, the Chehalis Basin Flood Control Authority, and other local governments, to participate in flood hazard mitigation projects for the Chehalis River basin.

Up to \$2.5 million of the appropriation is for the Chehalis Basin Flood Control Authority or other authorized local government groups to develop or participate in the development of flood hazard mitigation measures throughout the basin.

The OFM is directed to participate as the non-federal sponsor of the United States Army Corps of Engineers flood hazard mitigation projects for the Chehalis River basin area for projects that are mutually agreed to between the federal government, the OFM, and the Chehalis Basin Flood Control Authority, or other authorized local government groups. The OFM is required to prepare the necessary agreements to ensure an active partnership with federal and state agencies, local governments, the Chehalis River Flood Control Authority, and others as needed.

Construction funds may not be allotted for flood hazard mitigation projects until a project agreement between non-federal project partners has been signed and submitted to the Governor and the Legislature delineating responsibility for the ongoing operations and maintenance of the projects. The agreement must also include a plan to meet applicable flood plain management

requirements and to address any applicable federal requirements for managing the effect of future land use developments on the extent and severity of flooding.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: March 27, 2008

EHB 3381

C 285 L 08

Relating to fees to implement programs that protect and improve Washington's health, safety, education, employees, and consumers.

By Representative Sommers.

House Committee on Appropriations

Background: Many state agency activities are supported by fee revenue. In contrast to taxes, which are charges levied for the general support of government, fees are typically part of a program that regulates a profession, industry, or activity, and they are intended to support the cost of administering that program. Examples of regulatory fees include license fees, inspection fees, and examination fees. Other types of fees are user fees, in which a person pays a charge for using a publicly-owned or publicly-provided service or facility. Examples of user fees are higher education tuition and state parks campsite fees.

Some fees are established in statute by the Legislature. In other cases, the Legislature has delegated to state agencies the ability to establish fees and to determine the amounts of those fees. For example, the Legislature has delegated to the Department of Licensing (DOL) the authority to license and regulate various business and occupations, and it has directed the DOL to establish fees for each profession at a level sufficient to defray the costs of administering that program.

State law limits agencies' ability to increase fees. Initiative 601, adopted in 1993, prohibited state agencies from raising fees in excess of the fiscal growth factor without prior legislative approval. Initiative 601 did not apply to the creation of new fees. In 2007, Initiative 960 modified fee increase restrictions to prohibit state agencies from imposing new fees or increasing fees by any amount without prior legislative approval. In addition, bills that authorize fee increases or new fees are subject to Initiative 960's publicity and projection provisions, under which the Office of Financial Management must provide public notice of the legislation, along with 10-year projections of the estimated cost to taxpayers.

Department of Labor and Industries. *Prevailing Wage Program.* State law requires employers to pay workers on all public works contracts and public building service maintenance contracts at least the prevailing

wage. The Department of Labor and Industries (DLI) enforces the prevailing wage program. In statute, the fees charged by DLI for approving statements of intent to pay prevailing wages and certification of affidavits of wages are capped at \$25.00. These fees are deposited in the Public Works Administration Account.

Factory Assembled Structures and Mobile/Manufactured Homes. The DLI is authorized to enforce safety standards for structures such as manufactured homes, mobile homes, conversion vending units, etc. A statute authorizes the DLI to charge fees for the cost of administering this program. These fees are deposited in the General Fund-State. The DLI was authorized to adopt temporary rules that decreased some fees and increased other fees until April 1, 2009, with a new fee schedule to be adopted effective the date that restored the prior schedule, adjusted by fiscal growth factors not applied during the period of the temporary fee schedule.

Explosives. The DLI regulates and licenses the manufacture, purchase, sale, use, and storage of explosives. Annual minimum and maximum for these licenses are established in statute. The minimum fees range from \$5 to \$25 and the maximums from \$15 to \$100.

Department of Health. *Health Professions.* The Department of Health (DOH) and the 16 health professions boards and commissions license and regulate numerous health professions. Licensing fees are deposited in the Health Professions Account. In the 2008 legislative session, the Legislature passed Fourth Substitute House Bill 1103 (health professions), which makes numerous changes to the health professions regulatory process, including changes to disciplinary procedures and new requirements for background checks for license applicants.

Radiology Assistants. In the 2008 legislative session, the Legislature passed Substitute House Bill 6439, which establishes the new health profession of radiology assistants as a fourth category of radiologic technologists certified and regulated by the DOH.

Department of Agriculture. *Pesticide Management.* The Department of Agriculture (DOA) administers a pesticide management program (program), along with associated licensing and registration. The program encompasses several types of pesticide licenses. Fees for licenses and registrations are established in statute. Revenues from these fees are deposited into the pesticide sub-account in the Agricultural Local Account.

Animal Inspection. The DOA administers an animal health program to prevent the introduction and spread of contagious, communicable, or dangerous diseases affecting animals.

Department of Licensing. The Department of Licensing (DOL) licenses and regulates bail bond agents and agencies and bail bond recovery agents. Fees for these activities are deposited in the Business and Professions Account. In the 2008 session, the Legislature

passed Engrossed Substitute Senate Bill 6437, which establishes additional requirements for bail bond recovery agents, including additional training and notification requirements.

Department of Financial Institutions. The Department of Financial Institutions (DFI) regulates banks chartered in this state. The DFI must collect the estimated actual cost of any examination of a bank. The DFI regulates credit unions chartered in this state. The DFI may assess credit unions in order to cover the costs of the regulatory oversight. Mortgage brokers are licensed by the DFI under the Mortgage Broker Practices Act. Mortgage brokers are charged licensing fees and fees for any branch office. All fees received by the DFI (except for fees received by the division of securities) are deposited into the Financial Services Regulation Fund.

Summary: The Legislature finds that regulatory programs to protect health, safety, employees, and consumers may require that the cost of those programs be borne by the regulated industry or profession rather than the taxpayers as a whole. The Legislature authorizes certain new fees and fee increases.

Department of Labor and Industries. *Prevailing Wage Program.* The maximum fee that DLI may charge for approving statements of intent to pay prevailing wages and certification of affidavits of wages is increased to \$40.00.

Factory Assembled Structures and Mobile/Manufactured Homes. In the factory assembled structures program, the authority of the DLI to adopt a temporary fee schedule and the requirement to adopt the prior fee schedule, adjusted by the fiscal growth factor, are deleted. The DLI is authorized to adopt fees to cover costs incurred in administration of the program. The DLI may use these fees only for purposes of this particular program.

Explosives The statutory minimum fees for explosives licenses are increased to \$25 and \$50 and the maximum fees are increased to \$100-\$400. License fees and criminal history check fees must be deposited in the accident and medical aid funds rather than the General Fund.

Department of Health. *Health Professions.* The DOH is authorized to increase application and renewal fees as necessary to recover the cost of implementing the disciplinary and administrative provisions of 4SHB 1103. The DOH is also authorized to establish new fees as necessary to recover the cost of background check activities required by that bill.

Radiology Assistants. The DOH is authorized to establish fees for application, certification, and certification renewal for radiology assistants.

Department of Agriculture. *Pesticide Management* Various pesticide licensing and registration fees are increased in statute.

Animal Inspection. The DOA is authorized to establish fees for the establishment and inspection of animal

holding facilities and the inspection and monitoring of animals in these facilities, and special inspections of animals or animal facilities that the director may provide at the request of the animal owner or interested persons. The fees will be established to cover the cost of the services provided and must be deposited in the Agricultural Local Fund.

Department of Licensing. *Bail Bond Agents and Bail Bond Recovery Agents.* The DOL is authorized to increase licensing fees as needed to defray the cost of implementing ESSB 6437 (bail bond recovery agents).

Department of Financial Institutions. The DFI is authorized to increase specified fees pertaining to credit unions, banks, loan originators, and mortgage brokers.

Votes on Final Passage:

House 55 39
Senate 28 21

Effective: March 31, 2008
July 1, 2008 (Section 2)
January 1, 2009 (Sections 15-26)

ESHCR 4408

Requesting approval of the statewide strategic master plan for higher education.

By House Committee on Higher Education (originally sponsored by Representatives Wallace, Haigh and Sells).

House Committee on Higher Education
House Committee on Appropriations Subcommittee on Education
Senate Committee on Higher Education
Senate Committee on Ways & Means

Background: The Higher Education Coordinating Board (HECB) is charged with developing a statewide strategic master plan for higher education, encompassing all sectors including workforce training, the two-year system, the four-year system, and financial aid. In 2007 the Legislature mandated that the plan span a 10-year planning horizon and include a vision and measurable goals to expand access, affordability, quality, efficiency, and accountability.

The Legislature must approve or recommend changes to the plan by concurrent resolution, after which the HECB will incorporate legislative changes and adopt a final plan by June 2008.

The plan points out several challenges to ensuring that the state maintains high levels of educational attainment.

- Baby boomers, the most educated generation in American history, are beginning to retire and will continue to do so in record numbers. Over the next 10 years, the baby boomers will be replaced by a

generation of workers with lower average levels of education and skill.

- By 2013, 47 percent of high school graduates will come from families with incomes of \$50,000 or less. These students have not fared well in the education system and are at greater risk for not participating and succeeding in postsecondary education.
- Other industrialized nations have made significant investments and have realized gains in raising educational attainment for younger adults. In the United States, educational attainment for younger adults has remained flat.
- Washington relies heavily on importing people with advanced degrees and specialized skills to meet workforce demand, especially in science, technology, engineering, and mathematics fields (STEM). The master plan has two primary goals:
- Create a high-quality, higher education system that provides expanded opportunity for more Washingtonians to complete postsecondary degrees, certificates, and apprenticeships.
- Create a higher education system that drives greater economic prosperity, innovation, and opportunity.

The master plan sets degree and certificate goals to increase to Global Challenge State (GCS) benchmarks:

- mid-level degrees to 36,200 (+35 percent);
- bachelor's degrees to 42,400 (+37.5 percent - 75th percentile of GCS);
- advanced degrees to 19,800 (+77 percent - 50th percentile of GCS); and
- 297,000 FTE will be needed to accomplish these degree goals.

The master plan then sets out several strategies and policy objectives to expand opportunity and promote economic prosperity. The HECB will engage in an intensive study and planning process with stakeholders to develop specific recommendations for the Legislature to consider in its planning efforts during the 2009-2011 biennium. Work will be conducted to inform three overarching strategies:

(1) Build enrollment and support student success.

- *Focus on diversity.* The HECB will work with stakeholders to develop a systematic framework for increasing the number and percent of students, staff, and faculty of color in postsecondary education.
- *Create higher exceptions for K-12 students.* The HECB will convene a statewide taskforce and submit findings and actions to the Governor and Legislature that examines projected teacher shortages by field, strengthens math and science teaching skills, and improves academic advising and counseling skills.
- *Keep college affordable and accessible.* The HECB will evaluate all state financial aid programs for accessibility, outcomes, coordination, and efficiency; advocate to increase the State Need Grant eligibility

threshold from 70 percent of median family income to 85 percent and complete a study of the structure of higher education funding describing the funding trajectory needed to advance per-student funding levels to reach the 60th percentile of peer institutions by 2017.

The proposed master plan also recommends the HECB engage stakeholders to develop a detailed enrollment plan to achieve the master plan's goals. The HECB will also work with stakeholders, during the same time frame, to complete a study of the physical, technological, and programmatic capacity needs, and the resources needed to meet the degree and enrollment goals.

(2) Promote growth and innovation. The HECB recognizes that in a knowledge-driven economy, higher education plays a vital role in promoting economic growth. However, getting the full potential economic gain from higher education requires careful planning to respond to specific economic opportunities. Policy goals are listed below:

- fill high-demand needs in mid-level, baccalaureate, and advanced degrees;
- increase STEM enrollments;
- invest in university and college-based research to expand capacity;
- support expanded technology transfer; and
- seek new funding and focus collaboratively to meet workforce development needs.

(3) Monitor and fund higher education for results. The HECB advocates for a dramatic increase in the number of degrees and certificates over the next 10 years. However, in order to achieve the magnitude of system-wide growth, the HECB advocates for changes in the way that higher education is monitored and funded. Policy goals include:

- improve per-student funding levels consistent with GCS benchmarks established by law in 2007;
- explore new financial incentives such as performance contracts to produce specific educational outcomes; and
- coordinate and modify Washington's various postsecondary accountability systems to focus on monitoring progress toward goals outlined in the master plan.

Summary: The Legislature outlines its larger vision for development of higher education. The Higher Education Coordinating Board is directed to consider several policies when refining the final version of the master plan. In general, the policy statements outline goals for increasing access, affordability, and accountability. For instance, statements are included regarding: refining the proposed bachelor's and graduate degree production targets based on the needs of Washington's economy; maximizing the use of state funding and reviewing the cost of service delivery; and maximizing the use of full-time faculty.

ESSB 5010

Summary information regarding the research, policy strategies, and collaborative development processes that were part of the strategic master planning process are outlined.

The House of Representatives and the Senate approve the statewide strategic master plan. The HECB must work with relevant stakeholders to collaboratively refine the strategies and next steps required for implementation of the plan. The HECB must submit a report to the higher education committees of the Legislature on progress in implementing the master plan by February 1, 2009.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

ESSB 5010

C 238 L 08

Creating a state park foster home pass.

By Senate Committee on Ways & Means (originally sponsored by Senators Honeyford and Hewitt).

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

House Committee on Ecology & Parks

House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: Washington statute provides state park fee discounts and exemptions to several categories of residents. These categories include: (1) senior citizens with a limited income; (2) disabled persons; and (3) disabled veterans. Generally, the exemptions provide free park admission and a 50 percent reduction in camping fees. The disabled veteran exemption, however, provides free park admission, an exemption from camping reservation fees, and free camping.

The state of Oregon has adopted legislation and regulations exempting foster parents from state park fees when accompanied by a foster child. When arriving at a park, a foster parent must show park staff the certificate proving their foster parent status in order to receive the exemption. Foster parents are eligible for free camping and day use at Oregon state parks.

Summary: A foster home pass is created for Washington residents who: (1) provide licensed foster care under a foster family home license; or (2) serve as a relative caregiver to a child placed with that resident by the Department of Social and Health Services or a child placing agency. When accompanied by a foster child, the pass entitles the holder to free admission and free camping at state parks. The pass does not expressly provide an exemption from camping reservation fees.

Applicants must request a pass from the State Parks and Recreation Commission (Commission). The Commission must verify with the Department of Social and Health Services that the applicant is eligible for a pass. The Commission must issue passes for no less than one year.

The State Parks and Recreation Commission must also negotiate to allow holders of the foster home park pass free access and use of park campsites at Central Ferry, Chief Timothy, Crow Butte, and Lyons Ferry in Asotin County. The Commission will request reimbursement on a biennial basis.

Several terms are defined by referencing the statutes governing foster care. Technical changes are also made regarding the organization of the park pass statute.

Votes on Final Passage:

Senate	46	0	
House	92	1	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 12, 2008

2ESSB 5100

C 302 L 08

Regarding health insurance information for students.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Hobbs, McAuliffe, Regala, Fairley, Shin, Weinstein, Murray, Keiser, Prentice, Kline, Spanel, Fraser, Tom, Kohl-Welles and Rasmussen).

Senate Committee on Health & Long-Term Care

Senate Committee on Early Learning & K-12 Education

House Committee on Education

House Committee on Appropriations Subcommittee on Education

Background: School districts are currently required to provide a number of health-related activities, including screenings for vision, hearing, and scoliosis; review of immunization records; and attainment of a medication or treatment plan for a child with a life threatening health condition.

Many school districts provide an informational packet which includes information on public insurance programs like Medicaid and the Children's Health Insurance Program, as well as other programs like free and reduced-price meals. The Office of Superintendent of Public Instruction, in conjunction with Department of Social and Health Services (DSHS) and other departments, distributes a packet of informational materials to all 295 school districts. The 285 school districts participating in the food programs are required by the United States Department of Agriculture to distribute the packet to ensure the application for free and reduced price meals is made available.

Summary: By August 1, 2008, the Superintendent of Public Instruction (SPI) must select up to six school districts to implement pilots regarding health insurance. The selected districts should include those from urban and rural areas, and eastern and western Washington. Beginning with the 2008-09 school year, the pilot districts are required to ask whether students have health insurance and allow parents or guardians to authorize the sharing of information for this purpose.

By December 1, 2008, each district must develop a list of students without insurance. The list must include identifiers and parent or guardian contact information. By September 1, 2008, DSHS and the SPI must develop a model agreement for schools to share student information, and by January 1, 2009, each pilot school and a local outreach organization must put in place an agreement to share the list of students without insurance. The outreach organization must use the information to assist families in enrolling students on a medical program. By July 1, 2009, the pilot schools must report to the SPI. By December 1, 2009, DSHS and the SPI must report to the Legislature.

"Outreach organization" is defined as a nonprofit organization or a local government entity either contracting with DSHS or otherwise qualified to provide outreach, education, and enrollment services to uninsured children.

Votes on Final Passage:

Senate	33	15	
House	93	0	(House amended)
Senate	34	11	(Senate concurred)

Effective: June 12, 2008

SSB 5104

C 166 L 08

Expanding the applied baccalaureate degree pilot program.

By Senate Committee on Higher Education (originally sponsored by Senators McAuliffe, Tom, Rockefeller, Shin, Oemig, Berkey, Brandland, Fairley, Pflug, Delvin, Rasmussen, Kohl-Welles, Keiser, Zarelli, Prentice, Eide, Kline, Hobbs, Clements and Kilmer).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Appropriations

Background: In 2005 the Legislature authorized four applied baccalaureate degree pilot programs at community or technical colleges. Six colleges submitted proposals. Bellevue Community College, Olympic College, Peninsula College, and South Seattle Community College were selected as sites for the pilot projects.

Upper division students will begin these programs in the fall of 2007.

The State Board for Community and Technical Colleges (SBCTC) selected the participating institutions based upon: their capacity to commit resources, their ability to engage faculty to develop and deliver the curriculum, the demand for the programs in their service area, the cost-effectiveness for students, and whether the program filled a gap in options offered by a public four-year institution in the geographic area.

Summary: By February 2008, the SBCTC must select up to three additional colleges to develop and offer programs of study leading to an applied baccalaureate degree. At least one must be a technical college. Students may not enroll in upper division courses before the fall of 2009.

Votes on Final Passage:

Senate	45	3	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

ESSB 5179

C 52 L 08

Modifying snowmobile registration provisions.

By Senate Committee on Transportation (originally sponsored by Senators Kastama and Rasmussen).

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Transportation
House Committee on Transportation

Background: Snowmobiles must be registered with the Department of Licensing (DOL) if owned, transported, or operated in Washington State (unless exempted elsewhere in law, e.g., snowmobiles owned or operated by a government, or snowmobiles owned by residents of certain states, or Canadian provinces operating temporarily in Washington State).

Registration fees are to be established by the State Parks and Recreation Commission. Registration fees are also set in statute at \$30 per year for snowmobiles less than 30 years old and \$12 per year for vintage snowmobiles.

Summary: Snowmobiles must be registered with DOL only if operated in Washington State. A person who owns or transports a snowmobile in Washington, but does not operate it, is not required to register the snowmobile.

Contradictory language directing the registration fees to be established by the State Parks and Recreation Commission is deleted.

Votes on Final Passage:

Senate 48 0
House 96 0

Effective: June 12, 2008

SSB 5254

C 103 L 08

Authorizing a grant program for industry skill panels.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Kastama, Fairley, Rockefeller, Kauffman, Marr, Hatfield, Weinstein, Keiser, Sheldon, McAuliffe, Eide, Kohl-Welles, Shin, Murray, Tom, Regala, Spanel and Kline).

Senate Committee on Higher Education
Senate Committee on Economic Development, Trade & Management
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Appropriations Subcommittee on Education

Background: Industry Skill Panels are regional alliances of businesses, labor, and education and training providers in key industry clusters. The panels assess skill gaps in an industry and design and implement strategies to close those gaps. The formation of panels is overseen by the Workforce Training and Education Coordinating Board (Workforce Board). They work in conjunction with Centers of Excellence organized by the State Board for Community and Technical Colleges and have relied on funding from the federal Workforce Investment Act. Washington was the first state in the nation to create a system of such panels and serves as a mentor to other states. There are no Skill Panels in many key industry clusters.

In the spring of 2006, the Governor directed the Workforce Board to review Washington's workforce development system and recommend improvements. In response, The Workforce Board issued the report "Washington Works: Strengthening the Workforce for Washington's Future." The report recommended a series of steps to strengthen the connections between workforce development and economic development programs, including a recommendation that state funds be used to establish and sustain Industry Skill Panels in key economic clusters and build on existing work to leverage private investments.

Summary: The Workforce Board is to allocate grants on a competitive basis to establish and support Industry Skill Panels. Workforce development councils, community and technical colleges, economic development councils, private career schools, chambers of commerce, trade associations, and apprenticeship councils may apply for grants. Applicants must provide an employer

match of at least 25 percent to be eligible. Industry Skill Panels are to identify strategies and solutions addressing workforce skill needs. The Board is to establish standards that identify the expectations for Skill Panel products and services. Continued funding depends upon meeting the standards. The Workforce Board is to report results annually to the Governor and Legislature.

Votes on Final Passage:

Senate 47 0
House 78 18 (House amended)
Senate 47 0 (Senate concurred)

Effective: June 12, 2008

SSB 5256

C 182 L 08

Providing for the exclusion of veterans benefits from the income calculation for the retired person property tax relief program.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Roach, Fairley, Kastama, Eide, Hobbs, Fraser, Rockefeller, Kohl-Welles, Rasmussen, Franklin, Kilmer, Honeyford and Keiser).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on Finance

Background: Some senior citizens and persons retired due to disability are entitled to property tax relief on their principal residences. To qualify, a person must be age 61 in the year of application, or retired from employment because of a disability, or 100 percent disabled due to military service; must own his or her principal residence; and must have a disposable income of less than \$35,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a property valuation freeze.

Disposable income is defined as the sum of federally defined adjusted gross income and the following, if not already included: capital gains; deductions for loss; depreciation; pensions and annuities; military pay and benefits; veterans' benefits except attendant-care and medical-aid payments; Social Security and federal railroad retirement benefits; dividends; and interest income.

Some costs may be deducted from the disposable income total as follows: payments for the care of either spouse received in the home; a nursing home, boarding home or adult family home; payments for medicare insurance premiums; and payments for prescription drugs.

Summary: Federal veterans benefits awarded for service-connected disability can be deducted from the disposable income total when computing the retired person property tax reduction.

Votes on Final Passage:

Senate 48 0
House 96 0

Effective: June 12, 2008

ESSB 5261

C 303 L 08

Granting the insurance commissioner the authority to review individual health benefit plan rates.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Franklin, Kohl-Welles, Fairley and Kline; by request of Insurance Commissioner).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The majority of people receive their health insurance through their employer. Those who do not have access to employer sponsored coverage may purchase insurance in the individual market. Approximately 220,000 Washington residents were insured through the individual market in 2005. While eight insurance carriers offer approved products in Washington, 94.5 percent of enrollment was concentrated with four major carriers.

Prior to 2000, the Insurance Commissioner was allowed to disapprove rates offered for individual health plans, when it was determined the rates were unreasonable in relation to the benefits provided. In 2000 the Legislature adopted numerous changes to the laws governing the individual market. The Insurance Commissioner is no longer allowed to disapprove filed rates for the individual market; however, a minimum loss ratio (the percentage of premium paid out in medical claims) was established. If, in the year following a rate filing, it is determined that a carrier's actual loss ratio was lower than 72 percent (74 percent minus the 2 percent premium tax), the carrier must remit the difference to the Washington State Health Insurance Pool.

Summary: The Insurance Commissioner may disapprove rates for the individual market if the rates are unreasonable in relation to the benefits provided. Rates modified on or after July 1, 2008, may not be used until 60 days after they are filed. If the rates are not disapproved within 60 days, the rate filing is deemed approved. A declination rate is defined to mean the percentage of the total number of applicants for individual health benefit plans received in the aggregate by each insurer that are not accepted for enrollment based on the results of the standard health questionnaire. The minimum loss-ratio requirement for insurers remains 72 percent (74 percent minus the 2 percent premium tax); however, the loss-ratio requirement for calculation of the remittance is determined by a sliding-scale loss-ratio that

is tied to the number of people each carrier declines for coverage.

Actual Declination Rate	Loss Ratio
Under 6%	74%
6% or more (but less than 7%)	75%
7% or more (but less than 8%)	76%
8% or more	77%

The Office of Insurance Commissioner (OIC) must explore the feasibility of entering into a multistate compact for individual health coverage, and report the findings and recommendations to the Legislature by December 1, 2008.

The OIC authority to review and disapprove rates expires January 1, 2012.

Votes on Final Passage:

Senate 31 18
House 68 26 (House amended)
Senate 29 17 (Senate concurred)

Effective: June 12, 2008

E2SSB 5278

C 29 L 08

Concerning use of public funds to finance campaigns for local office.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Franklin, Kastama, Kline, Spanel, Keiser, Kohl-Welles, McAuliffe, Regala, Pridemore, Poulsen, Fraser, Rasmussen and Rockefeller).

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: Initiative 134, passed by the voters in 1992, regulates political contributions and campaign expenditures, and prohibits the use of public funds to finance political campaigns for state or local offices. Prior to the passage of Initiative 134, some local governments had ordinances providing the availability of public funds for political campaigns for municipal offices.

Summary: The prohibition against the use of public funds to finance political campaigns for local office is removed. Before a local government may adopt public funding, it must be submitted to the voters for approval or rejection. If a county, city, town, or district establishes a program to publicly finance local political campaigns, only funds derived from local sources may be used to fund the program.

Votes on Final Passage:

Senate 29 20
House 51 43

Effective: June 12, 2008

SSB 5378

C 153 L 08

Modifying deeds of trust provisions.

By Senate Committee on Judiciary (originally sponsored by Senators Weinstein, Kline and Rockefeller).

Senate Committee on Judiciary
House Committee on Judiciary

Background: A deed of trust is a document in which a borrower incurs a debt obligation in exchange for real estate. The deed of trust transfers title to the borrower, yet the trustee has a lien against the property until the borrower pays off the obligation in full. If the borrower defaults on the obligation, for example by failing to make a payment under the deed of trust, the trustee may foreclose on the property by conducting a public sale. The Deeds of Trust Act (Act) currently does not specify what fiduciary duties, or duties of care, the trustee owes to the lender versus the borrower of a deed of trust.

Trustees must disclose to the borrower the amount required to reinstate the promissory note and deed of trust. Trustees currently have no obligation to timely disclose the amount necessary to satisfy the full amount required. Trustees also have no obligation to provide written notice concerning postponement of a foreclosure sale; currently they may orally postpone the sale. The Act permits agents of title companies to be trustees, so long as one officer of the title company is a Washington resident, and the trustee has a Washington street address.

Summary: A trustee has no fiduciary obligation to any persons having an interest in the property subject to the deed of trust. The trustee or successor trustee must act impartially between the borrower, grantor, and beneficiary. The trustee may decline to complete a foreclosure sale or deliver the trustee's deed and refund the purchase price, if it appears that the bidding has been collusive or defective, or that the sale might have been void.

Trustees must disclose the amount necessary to satisfy the obligation in full, and to provide such disclosure within 10 days of receiving a written request for such. As to notice of postponed sale, a trustee must submit written notice no less than four days before the new date and time of sale, when the new sale occurs within seven days of the postponement. When the sale is postponed to a date beyond seven days into the future, the trustee must submit written notice within three days of postponement. The trustee must provide such notice to the borrower, grantor, and junior lien holders. Such notice is necessary only if the sale is postponed to any day after the originally scheduled date. A trustee must maintain physical presence and telephone service at a Washington address.

Votes on Final Passage:

Senate	48	0	
House	93	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

SSB 5524

C 117 L 08

Addressing the restriction of mobile home or manufactured home locations.

By Senate Committee on Consumer Protection & Housing (originally sponsored by Senators Berkey, Schoesler, Fairley and Roach).

Senate Committee on Consumer Protection & Housing
House Committee on Housing

Background: Under the Manufactured/Mobile Home Landlord-Tenant Act, owners of manufactured and mobile home communities may not prevent a manufactured/mobile home from moving into the community solely because the home has reached a certain age. However, community owners may exclude or expel manufactured or mobile homes that do not comply with any other state or local law, including fire and safety codes. Currently, local jurisdictions may pass ordinances that regulate the entry of mobile or manufactured homes into manufactured and mobile home communities. However, local jurisdictions may not enact ordinances that have the effect of discriminating against a consumer's choice as to placement or use of a home that is not equally applicable to all homes. Nevertheless, local jurisdictions are permitted under state law to require that manufactured homes be and comply with all local design standards applicable to all other homes in the neighborhood within which the manufactured home is located.

Summary: Cities, towns, and counties are prohibited from restricting the location of mobile or manufactured homes that are sited within existing mobile or manufactured housing communities based exclusively on age or the dimensions of the home. Local jurisdictions are still permitted to place age and design criteria on manufactured housing that is sited outside of mobile and manufactured housing communities. The prohibitions apply only to mobile and manufactured housing communities legally in existence at the time the law goes into effect.

Votes on Final Passage:

Senate	47	0
House	95	0

Effective: June 12, 2008

2SSB 5596
PARTIAL VETO

C 304 L 08

Requiring fair payment for chiropractic services.

By Senate Committee on Ways & Means (originally sponsored by Senators Franklin, Benton, Kline, Poulsen, Keiser and Roach).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: Under current law, the rates paid by health care insurers for services rendered by chiropractors may differ from the rates paid to other kinds of health care providers.

Summary: A health carrier may not pay chiropractors less for a service identified under a particular physical medicine and rehabilitation code or evaluation and management code (as listed in a nationally recognized services and procedures code book such as the American medical association current procedure terminology code book) than it pays for any other type of licensed health professional using the same codes. Exceptions are described.

On or after January 1, 2010, the Insurance Commissioner (commissioner) must contract for an evaluation of the impact of this act on the utilization and cost of health care services associated with the physical medicine and rehabilitation payment or billing codes; and evaluation and management payment or billing codes; and on the total cost of episodes of care for treatment associated with the use of these payment or billing codes.

The commissioner must require carriers to provide necessary data to the contractor to complete this evaluation.

The commissioner must provide a report to the Legislature by January 1, 2012.

The act expires June 30, 2013.

Votes on Final Passage:

Senate	40	9	
House	79	15	(House amended)
Senate			(Senate refused to concur)
House	81	16	(House amended)
Senate	46	3	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The provision requiring the Insurance Commissioner to contract for an evaluation of the impact of this act and provide a report to the Legislature is removed.

VETO MESSAGE ON 2SSB 5596

April 1, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 3, Second Substitute Senate Bill 5596 entitled:

“AN ACT Relating to fair payment for chiropractic services.”

This bill provides that a health insurance carrier may not pay a chiropractor less for a given service or procedure than it pays any other provider for that service or procedure.

Section 3 directs the Insurance Commissioner after January 1, 2010 to contract for an evaluation of the impact of Section 1 on the utilization and cost of health care services, and requires carriers to provide any data necessary to complete the evaluation. The evaluation is due to the Legislature by January, 2012. Since it was not otherwise funded, the study will be paid for through the administrative assessment levied on carriers by the Office of the Insurance Commissioner. This is a significant administrative burden on carriers with little benefit.

For these reasons, I have vetoed Section 3 of Second Substitute Senate Bill 5596.

With the exception of Section 3, Second Substitute Senate Bill 5596 is approved.

Respectfully submitted,



Christine Gregoire
Governor

2SSB 5642

C 239 L 08

Addressing cigarette ignition propensity.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Rockefeller, Franklin and Tom).

Senate Committee on Labor, Commerce, Research & Development

Senate Committee on Ways & Means

House Committee on Commerce & Labor

House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: Cigarettes sold in Washington do not meet fire safety standards of having a lower ignition strength. Other states, including California, New York, and Vermont have passed legislation requiring that only reduced ignition strength cigarettes may be sold.

Summary: Beginning August 1, 2009, only reduced ignition strength cigarettes may be sold in Washington. The determination of reduced ignition strength is made by conducting propensity strength testing in accordance with the standards developed by the American Society of Testing and Materials (ASTM).

The testing of cigarettes must be conducted on ten layers of filter paper. A cigarette meets the ignition propensity strength testing if not more than 25 percent of the cigarettes tested exhibit full-length burns. Forty replicate tests comprise a complete test trial for each cigarette tested.

A manufacturer of a cigarette that the State Director of Fire Protection (Director) determines cannot be tested by the ASTM method must propose a test method and performance standard that is approved by the Director. The manufacturer may employ that test method and performance standard to certify the cigarette.

If the Director determines that another state has enacted reduced cigarette ignition propensity standards and the Director finds that the test method and performance standard are the same as those in this chapter, then the Director can authorize the manufacturer to certify that cigarette for sale in this state.

Each manufacturer must maintain copies of the reports of all tests conducted on all cigarettes offered for sale for a period of three years and must make copies of these reports available to the Director and the Attorney General upon request. Any manufacturer who fails to make copies of these reports within 60 days of receiving a written request is subject to a civil penalty not to exceed \$10,000 for each day after the sixtieth day that the manufacturer does not make the copies available.

The Director may adopt a subsequent ASTM standard test method for measuring the ignition strength of cigarettes if the method does not result in a change in the percentage of full-length burns.

Beginning in 2012, the Director must review the effectiveness of this test method and performance standard application. The Director must report every three years, no later than July 1, to the Legislature the findings and any recommendations, if appropriate, for improvement.

Wholesale or retail dealers are not prohibited from selling their existing inventory of cigarettes on or after August 1, 2009, if the dealer can establish that state tax stamps were affixed to the cigarettes prior to August 1, 2009, and can establish that the inventory was purchased in a comparable quantity to the inventory purchased during the same period of the previous year.

Each manufacturer must submit to the Director a written certification for each cigarette. Each cigarette must be recertified every three years. A manufacturer must pay to the Director a fee of \$250 for each cigarette listed in a certification. The Director is authorized to annually adjust this fee to ensure it defrays the actual costs of the processing, testing, enforcement, and oversight activities required by this chapter.

If a manufacturer makes any changes to a cigarette that has been certified, that cigarette may not be sold or offered for sale in this state until the manufacturer retests

the cigarette according to the testing standards set in this chapter.

Cigarettes that are certified must be marked to indicate compliance with the testing and performance standard requirements. A manufacturer must present its proposed marking to the Director for approval. A manufacturer can use only one marking and it must be applied uniformly on all packages.

Civil penalties are established for violations of this act.

The Attorney General and the Director are authorized to examine the books, papers, invoices, and other records of any person in possession, control, or occupancy of any premises where cigarettes are placed, stored, sold, or offered for sale, as well as the stock of cigarettes on the premises.

The reduced cigarette ignition propensity account is created in the State Treasurer. All receipts from the payment of certification fees and from the imposition of civil penalties must be deposited to the account. Expenditures from the account may be used only for fire safety, enforcement, and prevention programs. Only the Director or their designee may authorize expenditures from the account.

This act does not prohibit any person or entity from manufacturing or selling cigarettes that do not meet the requirements if the cigarettes are or will be stamped for sale in another state, if that person or entity has taken reasonable steps to ensure that the cigarettes will not be sold or offered for sale to persons located in this state.

Votes on Final Passage:

Senate	47	1	
House	93	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: August 1, 2009

SSB 5651
C 240 L 08

Changing the criteria for investigating and assessing performance in meeting community credit needs.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Kauffman, Kastama and Kilmer).

Senate Committee on Financial Institutions & Insurance
House Committee on Insurance and Financial Services
& Consumer Protection

Background: The Community Credit Needs chapter of law is patterned after the Community Reinvestment Act of 1977 (CRA). The CRA, which was enacted by Congress in 1977, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-

income neighborhoods. The regulations implementing this federal legislation were revised in May 1995.

The CRA requires that each depository institution's record in helping meet the credit needs of its entire community be evaluated periodically based on the institutions filed statements. That record is taken into account in considering an institution's application for deposit facilities. Neither the CRA nor its implementing regulation gives specific criteria for rating the performance of depository institutions. The law indicates that the evaluation process should accommodate an institution's individual circumstances and that the institution should follow safe and sound business practices.

CRA examinations are conducted by the federal agencies that are responsible for supervising depository institutions. Depository institutions that are examined by the Federal Reserve include state-chartered banks that are members of the Federal Reserve, as well as federal-chartered banks.

State law sets forth 11 specific criteria, independent of any federal determination, for the Director of the Department of Financial Institutions (director) to use in assessing a bank's record of performance in meeting the credit needs of the bank's entire community.

A summary is also required. The summary must include an annual numerical community reinvestment rating to be scored to represent the results of the performance assessment.

Some of the 11 criteria that are scored annually include the bank's record of performance in marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution; any practices intended to discourage applications for the types of credit set forth in the bank's community reinvestment act statements; the geographic distribution of the institution's credit extensions, credit applications, and credit denials; and the institution's participation in local community development projects.

The director must accept in lieu of an investigation, the relevant statements filed at the federal level to the extent that those documents assist the director in making the annual assessment.

Summary: For both banks and savings banks, the specific criteria for the annual numerical community reinvestment assessment and rating includes the institution's participation in microenterprise development projects.

Votes on Final Passage:

Senate	47	0
House	95	0

Effective: June 12, 2008

ESB 5751

C 305 L 08

Creating a wine and beer tasting pilot project in grocery stores.

By Senators Kohl-Welles, Hewitt and Rockefeller.

Senate Committee on Labor, Commerce, Research & Development

House Committee on Commerce & Labor

Background: Generally, beer and wine tasting is permitted only on licensed premises, although there are some exceptions. Beer and wine tasting is not currently allowed at grocery stores.

Summary: The Liquor Control Board (LCB) is to establish a pilot project to allow beer and wine tasting in grocery stores. The pilot project period is from October 1, 2008, to September 30, 2009. As part of the pilot, 30 locations may hold six tastings but no grocery store licensee can hold more than one tasting per month.

The locations for the pilot are to be chosen by the LCB and must be equally allocated between independently owned and national chain grocery stores.

To participate in the project, licensees must meet the following criteria: (1) their primary activity is the retail sale of grocery products for off-premises consumption; and (2) they operate a fully enclosed retail area encompassing at least 9,000 square feet.

The LCB may prohibit tasting at a pilot project location that is within the boundaries of a LCB-recognized alcohol impact area if the tasting activities at the location are having an adverse effect on the reduction of chronic public inebriation in the area.

The area in which the tasting will occur, and the facilities in general, must be located within a fully enclosed retail area and must be of a size or design that the licensee can observe and control people in the area to ensure that no one under 21 or apparently intoxicated persons are served.

Each tasting sample must be two ounces or less, up to a total of four ounces, per customer. No more than one sample of any single brand and type of beer or wine may be provided to a customer during any one visit to the store, and food must be available for tasting customers.

The licensee may only advertise the tasting within the store.

The LCB must report to the Legislature on the pilot project by December 1, 2009.

Votes on Final Passage:

Senate	32	15
House	51	41 (House amended)
Senate	29	17 (Senate concurred)

Effective: June 12, 2008

ESSB 5831

C 254 L 08

Creating the joint legislative task force on heating, ventilation, air conditioning, and refrigeration.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Franklin, Keiser and Murray).

Senate Committee on Labor, Commerce, Research & Development

Senate Committee on Ways & Means

House Committee on Commerce & Labor

House Committee on Appropriations

Background: Heating, ventilation, air conditioning and refrigeration (HVAC/R) systems control the temperature and humidity of air in a building. An HVAC/R technician works on equipment such as boilers, heat pumps, air conditioning units, and furnaces. Generally, the work of an HVAC/R technician involves work in several trades including sheet metal, plumbing, and electrical.

Six Washington cities require licenses for gas and mechanical work, refrigeration, and oil work; however, the state only regulates the electrical work of HVAC/R. The Department of Labor & Industries (L&I) licenses the electrical work. L&I is advised on electrical regulation by the Electrical Board, a 15-member advisory body whose membership is set in statute. Specialty electricians, such as HVAC/R, account for about 40 percent of regulated electricians but are not formally represented on the board.

A person currently engaged in the HVAC/R business can be required to obtain licensure or certification in four regulatory areas: a general or specialty contractor under Chapter 18.27 RCW; an electrical contractor; and electrical administrator; or a journeyman electrician or licensure in one of the two HVAC/R specialties. All of these license or certifications are fee based.

In 2005 the Joint Legislative Audit and Review Committee (JLARC) conducted a study of the HVAC/R licensing and testing requirements in Washington. In the report published in September of 2005 JLARC made several recommendations including that L&I should examine scenarios that would certify aspects of HVAC/R work. In this regard, JLARC suggested three options: (1) create a separate, comprehensive HVAC/R certificate; (2) administer an HVAC/R certificate through the Electrical Board or create a sub-board of the Electrical Board that certifies that a trainee performing both electrical and mechanical work has HVAC/R knowledge and skills in both electrical and non-electrical aspects; and 3) create a model where the state administers an exam that is acceptable to cities that require additional certification for skills beyond the specialty electrical license.

Summary: A joint legislative task force on HVAC/R is established. The task force is composed of the Chair and Ranking Minority Member of the Senate Labor, Commerce, Research & Development Committee and the House Commerce and Labor Committee; two legislative members appointed by the Senate Majority Leader; two legislative members appointed by the Speaker of the House; four members of the HVAC/R industry selected from nominations submitted by statewide business organizations; four members representing labor; and a representative from L&I.

The task force must review the following issues in the context of ESSB 5831 and the JLARC report on HVAC/R licensing and testing requirements: the requirements for certifying HVAC/R mechanics; methods of registering contractors who qualify for two or more registrations or licenses; establishing at least three levels of mechanics, with the ability to be certified in different specialties; on the job experience requirements for mechanics; apprenticeship certification; exemptions to registration, certification, or licensing; and any other factors deemed necessary.

Expenses of the task force will be paid jointly by the Senate and House of Representatives, and a report and recommendations are due to the Legislature by December 1, 2008.

Votes on Final Passage:

Senate	47	2	
House	58	35	(House amended)
Senate			(Senate insisted on position; asked House for conference)
House	95	2	(House amended)
Senate	40	9	(Senate concurred)

Effective: June 12, 2008

SB 5868

C 206 L 08

Defining civil disorder.

By Senators Kline, Jacobsen, Shin, Weinstein and Murray.

Senate Committee on Judiciary

House Committee on Public Safety & Emergency Preparedness

Background: In 2002 the Legislature passed ESHB 2505 (C 340 L 02) an anti-"civil disorder training" bill making it illegal to instruct others how to commit violent public disturbances intended to hurt *people*. Proponents believe that this change successfully prevented hate groups from operating paramilitary training camps in Washington. But, proponents of this act believe the existing law has a loophole, in that it does not prohibit training in how to commit violent disturbances if those violent disturbances are intended to destroy *property*.

Summary: "Civil disorder" means any public disturbance involving acts of violence that is intended to cause an immediate danger of, or to result in, significant injury to property or the person of any other individual.

Votes on Final Passage:

Senate	47	0
House	93	2

Effective: June 12, 2008

SB 5878
C 207 L 08

Concerning the filing of police incident reports for victims of identity theft.

By Senators Hargrove, Kline, Eide, Marr, Shin, Jacobsen, Kohl-Welles, Rasmussen and Keiser.

Senate Committee on Judiciary

House Committee on Public Safety & Emergency Preparedness

Background: In order for a victim of identity theft to exercise certain state and federal rights, it is necessary for the victim to have a police incident report. RCW 19.182.162 requires a consumer who claims to be a victim of identity theft to have a copy of a police report filed by the consumer in order to obtain a block of a fraudulent entry on his or her credit report. By law, identity theft victims must have police reports to freeze their credit, to place long-term fraud alerts on credit reports, and to obtain records of fraudulent accounts from merchants. A nationwide survey conducted by the Federal Trade Commission shows that in 2005, 19 percent of the people surveyed said police would not take their report of identity theft. Seven states, exclusive of Washington, have pending legislation to mandate the taking of identity theft reports and 15 states have the law in place.

Summary: A person who believes his or her financial information or means of identification has been illegally obtained, used, or disclosed to another to commit, aid, or abet a crime may file an incident report with a law enforcement agency that has jurisdiction over the victim's residence, place of business, or the place where the crime occurred. The law enforcement agency is directed to create a police incident report and provide the complainant with a copy of the report. The agency is authorized to refer the report to another law enforcement agency. Investigation of a report claiming identity theft is not mandated under this act and an incident report is not required to be counted as an open case for statistical purposes.

The relevant unit of prosecution for identity theft is an unlawful use of a means of identification or financial information. A defendant may be prosecuted and punished separately for every instance the defendant unlawfully obtains, possesses, transfers, or uses the means of

identification or financial information, unless the instances constitute the same criminal conduct. Whenever any series of transactions involving a single person's identification or financial information would, when considered separately, constitute identity theft in the second degree because of value, and the series of transactions are part of a common scheme or plan, the transactions may be aggregated for purposes of determining the degree of identity theft involved. If a person commits another crime during the commission of identity theft, the defendant may be prosecuted and punished separately for the other crime as well as for the identity theft.

Votes on Final Passage:

Senate	46	0	
House	95	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

2ESSB 5905
C 255 L 08

Concerning certificates of capital authorization.

By Senate Committee on Ways & Means (originally sponsored by Senators Franklin, Pflug, Keiser, Tom, Zarelli, Marr and Carrell).

Senate Committee on Ways & Means

House Committee on Appropriations

Background: Since 2001, skilled nursing facilities (nursing homes) seeking to have major construction funded in whole or part by Medicaid must first obtain a "certificate of capital authorization" (CCA) issued by the Department of Social and Health Services (DSHS). Having a CCA allows a nursing home to include the depreciation and investment associated with their capital project as part of their Medicaid reimbursement rate allocation. Medicaid reimbursement rates to nursing homes are paid by the operating budget.

Statute requires that the total dollar value of capital authorization which may be issued during a biennium be specified in the biennial appropriations act, or operating budget. For fiscal years 2004 and 2005, the maximum capital authorization was set at \$32 million per fiscal year. For fiscal years 2006 to 2008, the capital authorization was set at \$16 million per fiscal year.

Within the total amount authorized by the operating budget, CCAs are approved on a first-come, first-served basis. Projects not approved in one appropriation period have priority in the subsequent period. DSHS has the authority to give priority to a project necessitated by an emergency situation, as determined by DSHS rules.

DSHS also has the authority to establish deadlines for construction progress and to withdraw a CCA if deadlines are not met in good faith.

Summary: CCAs are based on priority status rather than first-come, first-served. Priority is as follows:

- (1) First priority is given to replacement and renovations on existing facilities that incorporate innovative building designs that create more home-like settings. Of the applications in this category, the facilities with the greatest length of time since their last renovation or construction must be given preference.
- (2) Second priority is given to renovation of existing facilities with the greatest length of time since their last renovation or construction.
- (3) Third priority is given to replacement of existing facilities with the greatest length of time since their last renovation or construction.
- (4) Last priority is given to new facilities and is processed on a first-come, first-served basis.

DSHS has authority to give first priority to projects that are necessitated by an emergency situation defined as construction or renovation needed as soon as possible to:

- (1) retain a facility's license or certification;
- (2) protect the health or safety of the facility's residents; and
- (3) avoid closure.

DSHS is authorized to establish rules regarding the prioritization for processing CCAs, and the time period during which applications for CCAs will be accepted and for which authorizations will remain valid.

Votes on Final Passage:

Senate	49	0	
House	93	0	(House amended)
Senate			(Senate refused to concur)
House	96	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

ESB 5927
C 306 L 08

Regarding nondisclosure of certain information of gambling commission licensees and tribes with approved gaming compacts.

By Senator Delvin.

Senate Committee on Labor, Commerce, Research & Development

House Committee on State Government & Tribal Affairs

Background: The Public Disclosure Act mandates the disclosure of public records unless the records fall under a specific exemption. Financial information supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a gambling license is exempt from disclosure.

House-banked card game licensees must annually prepare financial statements covering all financial activities of the licensee's establishment and file these statements with the Gambling Commission (Commission). Tribes operating under compacts for Class III gaming must also submit internal control documents and financial statements to the Commission.

Summary: Internal control documents, independent auditors' reports and financial statements, and supporting documents of licensees and compacting tribes required by the Commission are exempt from public disclosure.

Votes on Final Passage:

Senate	45	0
House	93	1

Effective: June 12, 2008
June 30, 2008 (Section 1)

ESSB 5959
C 256 L 08

Providing assistance to individuals and families who are homeless or at risk of being homeless.

By Senate Committee on Ways & Means (originally sponsored by Senators Hargrove, Kilmer, Shin, Sheldon, Kohl-Welles, Delvin and McAuliffe).

Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means
House Committee on Housing
House Committee on Appropriations

Background: The Transitional Housing Operating and Rent (THOR) program provides funding to non-profits, local government, and housing authorities to provide housing and services to homeless families with children. The program has operated within the Department of Community, Trade and Economic Development (CTED) since 1999; however, the program is not currently in statute.

The program is the result of a Washington State Supreme Court decision mandating that CTED and the Department of Social and Health Services (DSHS) create a Homeless Families with Children Plan and provide services to assist homeless children and their families. In 1999 the Legislature included a budget proviso of \$5,000,000 for the 1999 - 2001 biennium to fund the THOR program as well as several other initiatives to help homeless families with children. The THOR funding has remained consistent at \$5,000,000 a biennium since 1999.

Only families with children and with a family income at or below 50 percent of the area median income are eligible to receive THOR services. Services include rental assistance up to 24 months, security or utility deposits, and case management services.

In 2006 1,358 families received THOR services and 471 exited the program. Of those exiting, 74 percent achieved permanent housing, 49 percent of which was unsubsidized. It is estimated that the THOR program is meeting approximately 19 percent of the need of families with children for transitional housing assistance and services. CTED currently reports on the THOR program as part of the State's Homeless Housing Strategic Plan.

The Washington State Quality Award (WSQA) program is a nonprofit organization that evaluates performance standards for organizations who apply for review. After an intensive screening process, the WSQA provides feedback to those organizations in how to improve quality performance and recognizes those that have achieved performance excellence.

Summary: The THOR program is created within CTED. The purpose of the program is to assist homeless individuals and families secure and retain safe, decent and affordable housing. CTED will provide grants to eligible organizations to operate the program and is authorized to develop requirements, procedures, and guidelines for the program as needed.

Grantee organizations may use the funds to provide:

- rental assistance, including security deposits and moving expenses;
- case management services designed to help the client move toward self-sufficiency;
- operating expense subsidies for transitional housing facilities that serve homeless families with children; and
- administrative costs of the grantee organizations.

Those that are eligible to participate in the THOR program are:

- families with children who have household incomes at or below 50 percent of the area median income who are homeless or at risk of becoming homeless;
- individuals or families without children who have incomes at or below 30 percent of the area median income who are homeless or at risk of becoming homeless;
- individuals of families who are homeless or who are at risk of becoming homeless and who have a household with an adult member who has a mental health or chemical dependency disorder; and
- individuals or families who are homeless or who are at risk of becoming homeless and who have a household with an adult member who is an offender released from confinement within the past 18 months.

The THOR account is created as a non-appropriated account.

Data on all program participants must be entered and tracked through the Homeless Management Information System. Grantee organizations are encouraged to have a quality management system and apply to the Washington State Quality Award program to evaluate that system.

CTED must produce an annual THOR report addressing specific performance measures to be included in the State Homeless Housing Strategic Plan.

The statute providing for landlord immunity from civil liability for the criminal conduct of the landlord's tenants is repealed.

Votes on Final Passage:

Senate	48	0	
House	65	29	(House amended)
Senate			(Senate refused to concur)
House	96	0	(House amended)
House			(House reconsidered)
House	95	2	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

SSB 6060

C 75 L 08

Addressing unlawful detainer actions based on nonpayment of rent.

By Senate Committee on Judiciary (originally sponsored by Senator Kline).

Senate Committee on Judiciary
House Committee on Judiciary

Background: An unlawful detainer action occurs when a tenant of real property continues in possession after a default in the payment of rent, notice in writing has been served on the tenant requiring the payment of the rent or the surrender of the detained premises, and the person has remained for three days after service. A writ of restitution restores to the plaintiff the property described in the complaint.

When an action is commenced under the residential landlord tenant act for nonpayment of rent, the tenant must either: pay into the court registry the amount of rent alleged due in the complaint and any rent that becomes due while the lawsuit is pending, or the tenant must file a sworn statement denying that the rent is owing. If the tenant does the latter, payment to the court registry is not required. The tenant must pay the rent or file the sworn statement within seven days after service of a filed summons and complaint. Where the landlord commences an unlawful detainer action by service prior to filing the lawsuit, the tenant must pay the rent or file the sworn statement within seven days after written notice that the action has been filed and notice of these payment requirements is received. Failure of the tenant to comply with these requirements is grounds for the immediate issuance of a writ of restitution without bond. Issuance of the writ does not affect the tenant's right to a hearing to contest the amount of rent alleged to be due. A landlord who intends to use these procedures must serve the tenant with a summons that provides notice to

the tenant of the payment requirements in the form required by the statute.

Summary: In an action of forcible entry, detainer, or unlawful detainer based upon nonpayment of rent, the defendant is required to do one of two things: (1) the defendant must pay into the court registry the amount alleged due in the notice and continue to pay the monthly rent into the court registry while the action is pending; or (2) submit to the court a written and sworn under penalty of perjury statement that sets forth the reasons why the rent alleged due in the notice is not owed. The reasons may include that the rent alleged due is not owed based upon a legal or equitable defense or set-off arising out of the tenancy. The defendant must comply with one of the options on or before the deadline date in the notice. That date may not be prior to the deadline for responding to the eviction summons and complaint for unlawful detainer. If the defendant fails to comply with either of the two options, a writ of restitution without further notice may be obtained.

If a plaintiff intends to make use of the writ of restitution procedures, the plaintiff must first file the summon and complaint for unlawful detainer with the superior court of the appropriate county, and deliver notice to the defendant of the payment requirements or sworn statement requirements. The form for the notice is specified in the act.

If a writ of restitution is issued, the defendant may seek a hearing and an immediate stay of the writ. The court may set a show cause hearing as soon as possible but no later than seven days from the date the stay is sought or the date the defendant requests the show cause hearing. If the court, at the show cause hearing, determines that the writ of restitution should not have been issued, it must be quashed and the defendant restored to possession.

Votes on Final Passage:

Senate	48	0
House	93	0

Effective: June 12, 2008

E2SSB 6111
PARTIAL VETO

C 307 L 08

Concerning generating electricity from tidal and wave energy.

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs, Poulsen, Jacobsen and Tom).

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

House Committee on Finance

Background: According to the Coastal Zone Management program summary from the Department of Ecology, Washington contains almost 2,500 miles of marine shoreline, including 157 miles of Pacific coastline. In 2004 the Electric Power Research Institute rated the state as having excellent offshore wave energy resources. Currently, there are multiple tidal power projects and one wave power project under development in Washington.

Sales tax is imposed on retail sales of most items of tangible personal property and some services. The use tax is imposed on the same privilege of using tangible personal property or services in instances where the sales tax does not apply. Examples of such instances include purchases made in other states and purchases from sellers who do not collect Washington sales tax. Sales and use taxes are levied by the state, counties, and cities. Rates vary between 7 and 8.9 percent, depending on the location in the state. Use tax is paid directly to the Department of Revenue (DOR).

Under current law there is an exemption from the retail sales and use taxes for machinery and equipment used directly to generate at least 200 watts of electricity using wind or solar energy, landfill gas, or fuel cells as a power source. Current law also provides a tax deduction for production costs of energy produced by energy production facilities using renewable resources.

Summary: The Department of Community, Trade and Economic Development and the Energy Facility Site Evaluation Council must convene and cochair a work group on hydrokinetic energy development.

The work group must include representation from: specified state agencies; private sector firms and associations; university researchers; the Northwest Indian Fisheries Commission; an electrical utility; a local government jurisdiction; the commercial fishing industry; and representatives of conservation groups related to energy, marine ecology, and marine recreation.

By December 1, 2008, the work group must make recommendations to the Legislature regarding the development and operation of the Washington State Center for Excellence in Hydrokinetic Energy (Center). The Center is to be a public private partnership focused on hydrokinetic energy development with the stated goals of economic development, environmental protection, and community stability. The work group must also provide recommendations to streamline and make more efficient wave and tidal power project permitting, with final recommendations on the subject due June 30, 2010.

Retail sales and use tax exemptions are enacted for devices that generate electrical energy by using tidal or wave energy. The exemptions cover the cost of the equipment, as well as installation labor. To qualify, the purchaser must use the device as part of a facility capable of producing at least 200 kilowatts of energy. These exemptions expire on June 30, 2018.

Votes on Final Passage:

Senate	45	3	
House	93	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The provisions that specify the recommendations to be developed by the work group regarding the development and operation of the Center are removed. The retail sales and use tax exemptions for devices that generate electrical energy by using tidal or wave energy are removed. The null and void clause is removed.

VETO MESSAGE ON E2SSB 6111

April 1, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 5, 6, 8, 9, and 11, Engrossed Second Substitute Senate Bill 6111 entitled:

“AN ACT Relating to generating electricity from tidal and wave energy.”

Washington State is currently working with tidal and wave energy project proponents and federal agencies to identify what will need to take place to specify potential environmental impacts and Engrossed Second Substitute Senate Bill 6111 establishes a workgroup to further this inquiry.

Sections 5 and 6 require that a public-private entity be created to support hydrokinetic energy development, and that a report to the Legislature be submitted in December 2008. I believe that this work is premature until we understand the potential impact on Puget Sound and our ocean resources.

Sections 8 and 9 exempt machinery and equipment used in generating tidal or wave energy from state and local retail sales and use taxes and public utility taxes. Such tax exemptions are more appropriately considered once commercial production of tidal turbines is viable.

Section 11 is a null and void clause which, due to the veto of Sections 5 and 6, is unnecessary.

For these reasons, I have vetoed Sections 5, 6, 8, 9 and 11 of Engrossed Second Substitute Senate Bill 6111.

With the exception of Sections 5, 6, 8, 9, and 11, Engrossed Second Substitute Senate Bill 6111 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SSB 6178

C 2 L 07 E1

Providing a fifty percent property tax deferral for households with income of fifty-seven thousand dollars or less.

By Senate Committee on Ways & Means (originally sponsored by Senators Kauffman, Haugen, Rasmussen, Franklin, Brown, Eide, Rockefeller, Kline, Kilmer, Prentice, Hargrove, Shin, Berkey, Oemig and McAuliffe; by request of Governor Gregoire).

Senate Committee on Ways & Means

Background: All real and personal property in Washington State is subject to property tax, unless a specific exemption is provided by law. For example, Article 7, section 1 of the State Constitution exempts property of the United States, Washington State, counties, cities, and other local districts. The State Constitution also authorizes the Legislature to exempt other property by general law, with certain restrictions. Property taxes are calculated by multiplying a tax rate by the assessed value of each property. By statute, assessed value must be equal to 100 percent of the fair market value of the property, unless the property qualifies under a special tax relief program. Article 7, section 1 of the State Constitution provides that all taxes must be uniform on the same class of property. This means that taxes must be the same on property of the same value and requires both an equal rate and equality in valuing the property taxed.

Currently, there are two property tax relief programs that are afforded to senior citizens and persons retired due to disability. The first is an exemption program. To qualify, a person must be age 61 in the year of application or retired from employment because of a physical disability, own his or her principal residence, and have a disposable income of less than \$35,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze.

The second is a property tax deferral program. Eligible persons of age 60 and older with incomes less than \$40,000 may defer taxes. A person is eligible if that person qualifies for the exemption program, except for the age and income requirements. Taxes that are deferred become a lien against the property and accrue interest at 5 percent per year. If deferred taxes are not repaid within three years after the claimant ceases to own and live in the residence, the lien will be foreclosed and the residence sold to recover the taxes.

Property tax exemptions reduce the amount of property over which property tax levies are spread. Thus, exempting property from paying the property taxes causes a shift in the tax burden from the individual getting the exemption onto all the other taxpayers. There are no shifts for property tax deferrals since the taxes are still owed and are being paid. Disposable income is defined as the sum of federally defined adjusted gross income and the following, if not already included:

capital gains; deductions for loss; depreciation; pensions and annuities; military pay and benefits; veterans' benefits except attendant-care and medical-aid payments; Social Security and federal railroad retirement benefits; dividends; and interest income on state and municipal bonds. Payments for: the care of either spouse received in the home, in a boarding home, in an adult family home, or in a nursing home; prescription drugs; and Medicare health care insurance premiums are deducted in determining disposable income.

Property taxes are due on April 30 each year. However, a homeowner may pay for half of the taxes on April 30 with the remainder due on October 31.

Summary: Beginning in 2008, a homeowner may defer the second half of their real property taxes or special assessments in the year in which the following conditions are met:

- It must have been the principle place of residence as of January 1 of the year the taxes are due.
- The claimant must have a combined disposable income of \$57,000 or less in the preceding calendar year.
- The claimant must have owned the residence for five years before the deferral can be taken.
- The claimant must have paid one-half of the total amount of taxes due for the year in which the claim is made.
- The claimant must have fire and casualty insurance in a sufficient amount to protect the interest of the state in the claimants equity value.
- The total amount deferred by a claimant must not exceed 40 percent of the amount of the claimants equity value in the residence.
- The claimant may not defer taxes under this program and under the senior deferral program.

A claimant must file an application to the county assessor no later than September 1 of the year in which the deferral is sought.

The Department of Revenue must pay to the county treasurers the amount of the deferred taxes or assessments to be distributed to the local taxing or improvement districts. The amount of property taxes deferred becomes a lien in favor of the state on the property.

The deferred taxes become payable together with interest at the following times:

- upon the sale of the property;
- upon the death of the claimant except a surviving spouse who is qualified may elect to incur the tax lien;
- upon the condemnation of property by a public or private body exercising eminent domain power; or
- at such time the claimant ceases to reside permanently in the residence.

The interest rate for the deferred taxes is the average federal short-term rate from the previous year plus 2 percentage points.

During calendar year 2011, the Joint Legislative Audit and Review Committee is required to review the program and report to the Legislature by December 1, 2011. The report will look at, among other things, the effectiveness and the costs of the program.

Votes on Final Passage:

First Special Session

Senate	27	21
House	55	39

Effective: November 29, 2007

SSB 6181

C 308 L 08

Providing an employee of the county legislative authority may be appointed to the county canvassing board.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators McDermott, Oemig, Fairley and Kohl-Welles).

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: A county canvassing board determines the status of provisional ballots and certifies official election returns. A board is composed of three members: the county auditor, the county prosecuting attorney, and the chair of the county legislative body. If a member is not available to carry out his or her duties, that member may designate an individual to act in their respective place; the county auditor may designate a deputy auditor, the county prosecutor may designate a deputy prosecutor, and the chair of the county legislative body may designate another member of the county legislative body. Designations may be made on an election-by-election basis or on a permanent basis. All designations must be in writing, and filed with the county auditor if done for a special election, or be on file with the county auditor's office if done on a permanent basis until revoked.

Washington has three forms of county-level governments: commission form, consolidated city-county, and home rule charter. A home rule charter allows for powers of initiative and referendum. County powers, authority, and the duties of county officials vest in the county legislative authority, unless expressly assigned to a specific officer in the home rule charter. Six counties operate with a home rule charter.

Summary: A chair of a county legislative body with a population over one million is allowed to designate an employee of the legislative body as a member of the county canvassing board. The chief of staff, legal counsel, clerk of the counsel, and policy staff director are employees of the legislative body. All designees must take an oath of office and complete training.

Votes on Final Passage:

Senate 31 17
House 65 31

Effective: June 12, 2008

SB 6183
C 9 L 08

Providing a process for the dissolution of first-class school directors' districts.

By Senators Parlette, McAuliffe, Brandland, Tom, King, Hobbs, Holmquist, Kauffman, Weinstein, Eide, Zarelli, Rasmussen, Hewitt, Oemig and Shin.

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: Current law provides an election process to change a second-class school district (i.e., a school district with less than 2,000 students) that is divided into director districts to a combination of director districts and at-large positions. The process requires the second-class district to obtain a petition signed by at least 20 percent of the registered voters of the school district to qualify the question to be submitted to the voters within the school district at a special election. If approved by a majority of voters at the election then the district may change to have a minimum of three director districts and a maximum of two at-large positions. There is currently no such process available to first-class school districts.

Summary: An election process is provided to change first-class school districts that are divided into director districts to a combination of director districts and at-large positions. The process requires the first-class district to obtain a petition signed by at least 20 percent of the registered voters of the school district, which qualifies the question to be submitted to the voters within the school district at a special election. If approved by a majority of voters at the election then the district may change to have a minimum of three director districts and a maximum of two at-large positions.

Votes on Final Passage:

Senate 48 0
House 96 0

Effective: June 12, 2008

SSB 6184

C 7 L 08

Addressing most serious offenses.

By Senate Committee on Judiciary (originally sponsored by Senators Benton, Eide, Weinstein, McCaslin, Hargrove, Regala, Hatfield, Carrell, Tom, Franklin, Zarelli, Kline, Haugen, Keiser, Fairley, Hobbs, Marr, Kastama, Berkey, Delvin, Brandland, Spanel, Murray, Prentice, Holmquist, Hewitt, Rasmussen, Jacobsen, Sheldon, Oemig, Morton, Pflug, Roach, Pridemore, McAuliffe, Rockefeller, Parlette, Kauffman, Shin, Kohl-Welles, Stevens, Kilmer, Swecker, Honeyford, Schoesler, King and McDermott).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: An offender is considered a "persistent offender" when the offender is convicted of any felony that is considered a most serious offense, and that person has previously been convicted, on at least two separate occasions, of felonies that would be considered most serious offenses. This law is referred to as the three-strikes law. A persistent offender must be sentenced to a term of total confinement for life without the possibility of release.

Roy Wayne Russell was sentenced to life without the possibility of parole as a persistent offender by a Clark County Superior Court in 1998. He successfully challenged his sentence because the trial court erred in counting a prior out-of-state conviction for kidnapping as one of the "strikes." Mr. Russell's out-of-state conviction for kidnapping is comparable to unlawful imprisonment under Washington law. Unlawful imprisonment is not considered a most serious offense. Therefore, his criminal history did not contain three strikes.

Summary: The definition of "most serious offense" is amended to include any out-of-state conviction for a felony offense with a finding of sexual motivation if the minimum sentence imposed was ten years or more. The defendant's out-of-state conviction must meet the required elements of a felony under Washington law, and the conduct must meet the statutory test in Washington for sexual motivation.

Votes on Final Passage:

Senate 48 0
House 92 2

Effective: June 12, 2008

SB 6187
C 208 L 08

Creating the food animal veterinarian conditional scholarship program.

By Senators Shin, Rasmussen, Schoesler, Morton, Murray and Kohl-Welles.

Senate Committee on Higher Education
House Committee on Higher Education
House Committee on Appropriations Subcommittee on Education

Background: Two hundred and eight food animal veterinarians currently practice in Washington serving approximately 1,203,750 total food animals. This equates to 5,787 food animals per food animal veterinarian. A shortage of food animal veterinarians has been recognized nationwide by the federal government and a number of states. Since April 2007, eight states have established special financial aid programs encouraging students to practice food animal medicine and four other states have pending legislation.

The Department of Veterinary Clinical Sciences is the largest department in Washington State University's College of Veterinary Medicine. The department is organized into four divisions: small animal; equine; food animal; and clinical support services. Three hundred eighty eight students are in the College of Veterinary Medicine during the 2007-08 academic year with 93 students in the graduating class. The average veterinary student graduates with a debt of over \$90,000.

Summary: The food animal veterinarian conditional scholarship program is created. The program is administered by the Washington State University (WSU). Students may receive the scholarship if they are registered for at least six credit hours, are making satisfactory academic progress, have declared a major in veterinary medicine, and declare an intention to practice veterinary medicine in Washington emphasizing food animal medicine. The scholarship may not exceed the amount of resident tuition and fees at the WSU College of Veterinary Medicine, the cost of room, board, laboratory fees and supplies, and books, for up to five years.

WSU establishes a selection committee to screen and select recipients. The selection criteria must emphasize factors demonstrating a sustained interest in food animals and serving the needs of Washington's agricultural communities. Criteria must also address the need for food animal veterinarians in diverse areas of the state.

A recipient must repay the amount of the conditional scholarship, with interest, if the recipient fails to be employed as a food animal veterinarian in Washington a year for each year of scholarship received. The person must devote at least 50 percent to large production animal veterinary practice to be considered a food animal

veterinarian. WSU is responsible for collecting repayments.

Votes on Final Passage:

Senate 46 0
House 94 0 (House amended)
Senate 46 0 (Senate concurred)

Effective: June 12, 2008

SSB 6195
C 131 L 08

Modifying the definition of rural county for economic development purposes.

By Senate Committee on Economic Development, Trade & Management (originally sponsored by Senators Haugen and Rasmussen).

Senate Committee on Economic Development, Trade & Management
House Committee on Community & Economic Development & Trade
House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: Rural counties are currently entitled to various tax incentives which encourage economic development, including tax deferrals for investment projects and tax credits for certain business projects. For the purpose of these tax incentives, a rural county is defined as a county with less than 100 persons per square mile, or a county smaller than 225 square miles. Currently, the Community Economic Revitalization Board (CERB), Rural Washington Loan Fund (RWLF), Associate Development Organization (ADO), and electric utility rural economic development revolving fund statutes do not include this definition of a rural county.

Summary: The definition of rural counties in the CERB, RWLF, ADO, and electric utility rural economic development revolving fund statutes are made consistent with the definition of rural counties used in the rural tax incentive programs.

Votes on Final Passage:

Senate 48 0
House 93 0 (House amended)
Senate 46 0 (Senate concurred)

Effective: July 1, 2009

SB 6196

C 209 L 08

Modifying definitions applicable to local infrastructure financing tool program demonstration projects.

By Senators Pridemore, Zarelli and Kastama.

Senate Committee on Ways & Means

House Committee on Finance

Background: Tax increment financing is a method of redistributing increased tax revenues within a geographic area resulting from a public investment in order to pay for the bonds to construct the project.

In 2006 the Legislature created a new form of tax increment financing, the Local Infrastructure Financing Tool (LIFT) Program, to encourage private investment in community revitalization areas. The LIFT program assists local governments in making public improvements, such as streets, sidewalks, traffic controls, and parking. Public improvement projects in revenue development areas (RDA) are financed through a local sales and use tax that is credited against the state sales and use tax and matched with local resources, such as excess receipts from local sales/use and property taxes. The state contribution limit is \$7.5 million per year. The new local sales and use tax must be used for the purpose of principal and interest payments on bonds issued for a project, but may also be used to pay the public improvement costs on a pay-as-you-go basis for the first five years.

The LIFT Projects are approved by the Community Economic Revitalization Board, in consultation with the Department of Revenue (DOR) and the Department of Community, Trade and Economic Development through a competitive application process ending in 2008. There are three local demonstration projects:

- the Bellingham waterfront redevelopment project (up to \$1 million);
- the Spokane River district project at Liberty Lake (up to \$1 million); and
- the Vancouver Riverwest project (up to \$500,000).

The LIFT program expires June 30, 2039.

The local government that creates an RDA may use annually any excess excise taxes received by it from taxable activity within the RDA to finance the public improvement costs financed in whole or in part by local infrastructure financing.

The local excise tax allocation revenue is the amount of excise taxes received by a local government during the measurement year within the RDA over and above the amount of excise taxes received there during the base year from taxable income within the RDA. The base year is the first calendar year following the creation of the RDA and the measurement year is a calendar year, beginning with the calendar year following the base year, that is used annually to measure the amount of excess excise taxes required to be used to finance the public

improvement costs. However, if no excise taxes were received in the RDA in the 12 months prior to the creation of the area, then the excess excise taxes are the total amount of excise taxes received in each calendar year after the area is created.

Summary: For purposes of determining "local excise tax allocation revenue," if no local excise tax distributions were received in the RDA between August 1, 2008, and December 31, 2008, the "local excise tax allocation revenue" means the entire amount of local excise taxes received by the sponsoring local government during a calendar year period beginning with 2009 and continuing with each measurement year thereafter.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: June 12, 2008

SB 6204

C 210 L 08

Dividing water resource inventory area 14 into WRIA 14a and WRIA 14b.

By Senator Sheldon.

Senate Committee on Water, Energy & Telecommunications

House Committee on Agriculture & Natural Resources

Background: The Watershed Planning Act establishes a process for local groups to develop and implement plans to manage and protect local water resources and rights. The local groups authorized to develop watershed plans are organized by water resource inventory areas (WRIA). A WRIA is an area determined to be a distinct watershed or river basin.

The Department of Ecology (Ecology) identifies 62 WRIsAs. Each WRIA is identified by a number and may contain a local watershed planning group with an identified lead entity. Once constituted, a WRIA is eligible for grant funding from Ecology. Watershed planning is conducted in four phases:

- (1) initiation and organization of a planning unit – \$50,000 for single WRIA planning units, and up to \$75,000 for multi-WRIA planning units;
- (2) water quantity assessment and future use strategy – up to \$200,000;
- (3) development of a watershed plan and recommendations for action – up to \$250,000; and
- (4) implementation of the plan – up to \$100,000 for each of the first three years and an additional two-year extension of up to \$50,000 for each year of the extension, for a total phase four funding potential of \$400,000.

The WRIA 14 is the Kennedy-Goldsborough watershed and is located in Mason and Thurston counties.

The WRIA surrounds the city of Shelton, and drains into both the Hood Canal and the furthest extremes of southern Puget Sound. The lead agency for the WRIA 14 watershed group is the Mason County Department of Community Development. The initiating governments are Mason County, Mason County Public Utilities District No. 1, the City of Shelton, Thurston County, and the Squaxin Island Indian Tribe.

The local watershed group completed a draft plan in 2006. However, the initiating governments did not reach unanimous consensus and the planning process terminated. Prior to the termination, the WRIA 14 group had received \$770,000 in grants from Ecology.

Summary: The WRIA 14 is divided into two separate areas. Those portions of WRIA 14 draining into the Hood Canal are designated as WRIA 14b, and other portions of WRIA 14 are designated WRIA 14a. Planning responsibilities for WRIA 14b are transferred to the WRIA 16 planning unit, which is located just to the north of WRIA 14 in the Skokomish-Dosewallips watershed. Both WRIA 14a and 14b are scheduled to receive one-half of the planning money reserved for a single WRIA.

Votes on Final Passage:

Senate 43 0
House 94 0

Effective: June 12, 2008

2SSB 6206
C 211 L 08

Concerning agency reviews and reports regarding child abuse, neglect, and near fatalities.

By Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Pflug, Hargrove and Stevens).

Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means
House Committee on Early Learning & Children's Services
House Committee on Appropriations

Background: The Department of Social and Health Services (DSHS) is required to conduct a child fatality review (CFR) on the unexpected death of a child who, within the 12 months preceding the child's death, has been in the custody of or receiving services from DSHS. Under the Children's Administration Operations Manual (Manual), a child fatality review team could include members who are familiar with or have been involved in the deceased child's case.

The Manual also permits the Assistant Secretary to convene an Executive Child Fatality Review (ECFR). The ECFR is comprised of professionals who represent the culture of the community in which the fatality

occurred. The ECFR generally includes professionals who have not been involved in the deceased child's case.

When an ECFR is convened, the CFR need not be held. Regardless of the type of fatality review used, the review must be concluded within 180 days of the date DSHS received the fatality report. At the conclusion of either the CFR or the ECFR, DSHS must issue a report on the results of the review to the appropriate committees of the Legislature and must make copies available to the public.

The court must appoint a guardian ad litem (GAL) for a child who is subject to a dependency action unless, for good cause, the court determines the appointment unnecessary. The appointment of a GAL is satisfied if the child is represented by an attorney. The appointment of a GAL remains in effect until the court discharges the GAL or no longer has jurisdiction in the case. A GAL through counsel, or as otherwise authorized by the court, has the right to present evidence, examine and cross examine witnesses, and be present at all hearings. The GAL also receives notice of all hearings in the case, and copies of all pleadings and other documents filed or submitted to the court.

The Office of the Family and Children's Ombudsman (OFCO) was created in 1996 to perform a number of responsibilities including investigating complaints related to child protective services or child welfare services, monitoring the procedures used by DSHS in delivering family and children's services, and providing information about the rights and responsibilities of individuals receiving family and children's services and the procedures for providing those services. To perform these duties OFCO has the following authority: to interview children in state care; to access, inspect, and copy all records, information or documents in DSHS's possession that OFCO considers necessary to conduct an investigation; and to have unrestricted on-line access to the case and management information system (CAMIS) operated by DSHS.

Summary: If a fatality occurs as the result of apparent abuse by the child's parent or caretaker, the CFR must be comprised of individuals who have had no involvement in the child's case.

At the conclusion of the CFR, DSHS must issue a report on the results of the review within 180 days of the death of the child. The Governor may extend the due date.

DSHS must distribute the report to the appropriate legislative committees and must also create a public web site where all CFR reports are to be posted and maintained.

In the event of a near-fatality of a child who is in the care of or receiving services from DSHS within the last 12 months, DSHS must notify OFCO promptly.

OFCO is required to issue an annual report to the Legislature on the implementation of the CFR recommendations.

DSHS must promptly notify OFCO when a report of child abuse or neglect constitutes the third founded report on the same child or family within a twelve month period. DSHS must also notify OFCO of the disposition of the report.

DSHS must promptly notify a dependent child's GAL when it receives a report of child abuse or neglect on the child. DSHS must also notify the GAL of the disposition of the report.

OFCO must analyze a random sampling of child abuse and neglect referrals made by mandated reporters to the department during 2006 and 2007. OFCO is to report to the Legislature no later than June 30, 2009, on the number and type of referrals, the disposition of the referrals by category of mandated reporter, any patterns established by DSHS in how it handled the referrals, whether the history of fatalities in 2006 and 2007 showed referrals by mandated reporters, and any other information OFCO deems relevant. OFCO may contract to have all or some of the tasks completed by an outside entity.

Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008
 October 1, 2008 (Section 5)

SB 6215
 C 115 L 08

Concerning reserve accounts and studies for condominium associations.

By Senators Tom, Honeyford and McCaslin.

Senate Committee on Consumer Protection & Housing
 House Committee on Judiciary

Background: Reserve funds are maintained by condominium associations to pay for major repairs or replacement of the condominium community's common elements. Common elements may include parts of the community such as lobbies, roofs, parking lots, or recreational areas. Reserve studies are used to determine when common elements will need to be replaced or repaired and the associated costs. An adequate amount of reserve funds may be determined through a reserve study.

Depending on a condominium community's inception date, the community is either governed by the Condominium Act or the Horizontal Properties Regimes Act. Neither statute requires that condominium associations maintain levels of reserve funding or conduct reserve

studies. However, condominium associations have the authority to adopt and amend budgets and collect assessments from unit owners. Some condominiums also may have declarations that require the association to maintain adequate reserve funding and/or conduct reserve studies.

Condominium associations must prepare an annual financial statement under general accepted accounting standards. Those statements may require cost projections for future major repair and replacement of common elements. Also, condominium resale certificates are required to contain a statement of the amount of any reserves for repair and replacement and the portion of those reserves currently designated for any specific project.

Summary: Condominium associations (association) are encouraged to establish a reserve fund account to pay for major repairs or replacement of common elements. The purpose of a reserve account is to fund components that are in need of repair or replacement within 30 years. An association may withdraw funds from the reserve account for unforeseen expenses, as long as notice is given to unit owners and a repayment schedule is set up.

Associations must conduct and update reserve studies annually. The initial study and the study done each third-year thereafter must be conducted by a reserve study professional. Reserve studies must include detailed information on projected expenditures and current reserve account information.

If an association has not conducted a reserve study prepared by a professional in the past three years, one may be demanded if 20 percent or more of the unit owners agree. An association may refuse the demand if conducting the study would impose an unreasonable economic hardship on the association. An unreasonable hardship exists if preparing the study would cost more than 10 percent of the association's annual budget.

Public offering statements and seller's disclosures must include either: (1) a copy of the association's current reserve study; or (2) a disclosure informing the buyer that there is no current reserve study and the possible risks that the buyer faces because of the lack of a current study.

Votes on Final Passage:

Senate	45	2	
House	92	2	(House amended)
Senate	43	3	(Senate concurred)

Effective: June 12, 2008

SB 6216
C 241 L 08

Authorizing of the governor to enter into a cigarette tax contract with the Shoalwater Bay Tribe.

By Senators Prentice, Sheldon and Kohl-Welles.

Senate Committee on Ways & Means
House Committee on State Government & Tribal Affairs

Background: The state imposes a tax on the sale, use, consumption, handling, possession, or distribution of cigarettes. The rate of the cigarette tax is 202.5 cents per pack of 20 cigarettes, which equals \$20.25 per carton. Cigarette taxes are added directly to the price of these goods before sales tax is applied. The state sales tax rate is 6.5 percent of the selling price. Local governments may levy additional sales taxes. The combined state and local rate varies from 7 percent to 8.9 percent, depending on the location. Sales tax on an average carton of cigarettes is about \$4.00.

Under federal law, the cigarette tax and sales and use taxes do not apply to cigarettes sold on an Indian reservation to an enrolled tribal member for personal consumption. However, sales made by tribal cigarette retailers to non-tribal members are subject to the taxes.

Beginning in 2001, the Legislature authorized the Governor to negotiate and enter into cigarette tax contracts with certain named federally recognized tribes located in Washington. Contracts must be for renewable periods of eight years or less. Cigarettes sold on Indian lands under these contracts are subject to a tribal cigarette tax and are exempt from state cigarette and sales and use taxes. The tribal cigarette tax must equal 100 percent of the cigarette tax and sales and use taxes. The rate may be phased in over three years, but can be no lower than 80 percent of the state cigarette and sales tax rate.

A cigarette contract must:

- limit tribal retailing to sales of cigarettes by tribes or Indians in Indian country;
- prevent sales to any person under the age of 18 years;
- require that the tribal cigarette tax be used for essential government services;
- require the use of tribal cigarette tax stamps;
- include provisions for tax compliance;
- require that tribal retailers purchase cigarettes only from approved sources; and
- include a procedure for correcting violations of the contract and provision for termination of the contract should violations not be resolved.

Since 2001, RCW 43.06.460 has been amended and currently lists 27 tribes with which the Governor may contract. RCW 43.06.465 separately authorizes the Governor to enter into a contract with the Puyallup Tribe. Of the 28 tribes eligible under these sections, 21 tribes have signed cigarette contracts with the state.

Summary: Authority is granted to the Governor to enter into a cigarette tax contract with the Shoalwater Bay Tribe.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: June 12, 2008

SSB 6224
C 53 L 08

Modifying the interest accrual methodology for vendor overpayments.

By Senate Committee on Ways & Means (originally sponsored by Senator Keiser).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Department of Social and Health Services (DSHS) regularly conducts audits of overpayment by vendors to ensure compliance with state and federal regulations. Vendors must repay the amounts overpaid with interest. Current law allows for two methods of calculating interest accrual: 30 days after the date of notice by DSHS to the vendor; or 90 days after the date of overpayment to the vendor. The latter overpayment methodology is currently used in two divisions of DSHS: Health and Recovery Services Administration; and Aging and Disability Services Administration.

Summary: The interest accrual methodology based on 90 days from date of overpayment is removed, so that DSHS must use the 30-day after date of notice methodology to calculate the accrual of interest on vendor overpayments.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008

2SSB 6227
C 242 L 08

Providing support and resources to outer coast marine resources committees.

By Senate Committee on Ways & Means (originally sponsored by Senator Jacobsen).

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: Congress created the Northwest Straits Marine Conservation Initiative (Conservation Initiative) in 1998 as a conservation and restoration program serving the northwest portion of Puget Sound. The Conservation Initiative is charged with establishing community-based marine stewardship, conducting citizen-driven scientific studies on marine species and their habitat, and restoring marine habitat.

The Conservation Initiative has established seven Marine Resource Committees (MRCs), one for each of the following counties: Clallam, Island, Jefferson, San Juan, Skagit, Snohomish, and Whatcom. Each of these MRCs are citizen-based, with representatives from local government, tribal government, and the scientific, economic, recreational, and conservation communities.

In 2007 the Legislature authorized all outer coast counties to establish MRCs for their coastal areas, along with certain Puget Sound counties. The statutory purpose of state MRCs is to address, utilizing sound science, the needs of the marine ecosystem local to the county initiating the MRC. County legislative authorities may create MRCs, and citizens may also petition the county to create an MRC.

State MRC membership must reflect balanced representation from local governments, scientific experts, economic interests, recreational interests, environmental interests, and tribal representation. Generally, county legislative authorities determine MRC membership.

The Department of Fish and Wildlife (DFW) is the coordinating entity for outer coast MRCs.

Salmon recovery lead entities are local, watershed-based organizations that prioritize and submit to the Salmon Recovery Funding Board habitat protection and restoration projects for funding consideration.

Summary: The outer coast marine resource committee program (program) is created to support outer coast MRCs. As director of the program, DFW must: (1) provide each outer coast MRC with a coordinator to support the committee's work; and (2) distribute grants to outer coast MRCs to support projects that benefit coastal marine resources.

An MRC must annually report its activities and recommendations to the Governor and Legislature. Additionally, DFW must develop grant procedures and processes, which may include annual funding allocations for each MRC.

MRC membership must include representation from local residents. In lieu of creating a new entity to serve as an outer coast or Puget Sound MRC, a county legislative authority may designate a salmon recovery lead entity organization to also serve as the MRC. However, a county may only make this designation upon consent of the lead entity organization.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: June 12, 2008

SSB 6231

C 243 L 08

Improving the coordination of marine protected areas.

By Senate Committee on Ways & Means (originally sponsored by Senators Jacobsen and Shin).

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

House Committee on Ecology & Parks

House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: The federal government, through Executive Order, has defined the term "marine protected area" (MPA) as any area of the marine environment that has been reserved by federal, state, tribal, territorial, or local laws or regulations to provide lasting protection for part or all of the natural and cultural resources therein.

Washington State contains 74 areas identified in the federal marine managed areas (MMA) database, including federal, state, and locally managed areas. An MMA refers to areas established for some conservation purpose in the marine environment and is more inclusive than the term MPA.

Several state agencies have authorities relevant to establishing marine protected areas. The Department of Natural Resources (DNR) has the authority to establish aquatic reserves, allowing it to withhold from leasing aquatic lands with significant natural values. Through the Natural Areas Program, DNR manages sites with significant natural resource features, such as areas that have retained their natural character or contain important plant or geological features, as Natural Area Preserves or Natural Resource Conservation Areas.

The Department of Fish and Wildlife (DFW) manages the state's fish and wildlife resources. Specifically, DFW may adopt rules specifying the areas and waters in which the taking and possession of fish and wildlife is lawful or unlawful.

The Legislature has set aside the Seashore Conservation Area along Washington's coast for the recreation and enjoyment of the public. The Seashore Conservation Area is managed by the State Parks and Recreation Commission (State Parks), which also has the duty to manage parks and parkways for the benefit and enjoyment of all the people of the state.

Summary: The MPA work group (work group) is established. The Director of DFW must chair the work group. The work group must consist of representatives of state agencies and local governments with jurisdiction over MPAs, including DFW, DNR, State Parks, and appropriate marine resources committees. The Chair must also invite representatives of appropriate federal agencies and tribal governments, and may invite other appropriate state agencies, to participate.

The work group must:

- examine the current inventory and management of Washington's MPAs;
- develop recommendations to improve coordination and consistency regarding MPA management goals, criteria for establishment, management practices, terminology, and monitoring;
- develop recommendations to improve the integration of science into MPA establishment and management;
- develop recommendations to further integrate local governments and nongovernmental organizations into the establishment and management of MPAs; and
- provide any other recommendations to improve the effectiveness of MPAs.

By December 1, 2009, the work group must report its findings and recommendations to the Legislature.

The work group must work jointly with the Puget Sound Partnership regarding MPAs in Puget Sound.

The term MPA is defined as a geographic marine or estuarine area designated by a state, federal, tribal, or local government in order to provide long-term protection for part or all of the resources within that area.

Votes on Final Passage:

Senate	49	0	
House	68	26	(House amended)
Senate			(Senate refused to concur)
House	63	32	(House amended)
Senate			(Senate refused to concur)
House	96	0	(House receded)

Effective: June 12, 2008

SB 6237
C 183 L 08

Modifying armed forces provisions.

By Senators Kilmer, Haugen, Shin, McCaslin, Rasmussen, Hobbs and Marr; by request of Department of Veterans Affairs.

Senate Committee on Government Operations & Elections

Senate Committee on Transportation
House Committee on Transportation

Background: The Department of Licensing (DOL) issues special vehicle license plates that can be used in lieu of standard plates.

The DOL issues armed forces special license plates, which are a series of six plates that contain a symbol representing different branches of the armed forces. The special plates are available only to veterans, active duty military personnel, reservists, members of the Washington National Guard, and spouses of deceased veterans. The charge is \$40 above the standard licensing fee for initial issuance, and \$30 above the standard fee for renewal. The DOL also issues decals free of charge to be placed on a license plate indicating the purchaser's military status.

Proceeds from the sale of the armed forces license plates are deposited into the Veterans Stewardship Account (account). The Washington State Department of Veteran's Affairs (DVA) may also accept grants and gifts to deposit into the account. The account must be used by the DVA for activities that benefit veterans.

The DOL issues former prisoner of war special license plates free of charge to veterans who were held captive during a period of war for more than 29 days.

Summary: References to Washington are deleted when referring to the National Guard special license plate, expanding eligibility to include the National Guard of any state.

In addition to spouses, other family members of living or deceased veterans and current service members may purchase an armed forces special license plate and receive a decal.

The eligibility criteria to receive a prisoner of war special license plate is changed from a veteran who was held captive during a period of war for more than 29 days to a veteran that was held captive and received a prisoner of war medal.

In addition to veterans, families of veterans may receive funds from the account through the DVA.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008

SSB 6244
C 30 L 08

Addressing the housing of offenders who violate community custody.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Carrell).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: An offender who violates the conditions of his or her community custody may be returned to prison to serve up to the remainder of his or her sentence (if the maximum term of confinement has not already been served), sanctioned up to 60 days in a local correctional facility for each violation, or sanctioned to an alternative such as work release, home detention, community restitution, treatment, etc.

Department of Corrections (DOC) contracts with local correctional facilities to provide jail space for sanctioned offenders. Local correctional facilities do not always have adequate space to house sanctioned offenders.

Summary: DOC must analyze the needed capacity throughout the state to appropriately confine offenders who violate community supervision and formulate recommendations for future capacity. DOC must consider the need to decrease reliance on local jails and the costs and benefits of developing a violator treatment center.

If DOC recommends locating or colocating new violator facilities, DOC must work within local land use planning processes. DOC must report its results to the Governor and the Legislature by November 15, 2008.

Votes on Final Passage:

Senate	49	0
House	95	0

Effective: June 12, 2008

SSB 6246
C 54 L 08

Authorizing travel expenses for closed industrial insurance claims.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senator Honeyford).

Senate Committee on Labor, Commerce, Research & Development

House Committee on Commerce & Labor

Background: Workers injured in the course of employment may receive various benefits under the Industrial Insurance Act, including payment for medical care directly related to the accident. With limited exceptions, an injured employee will continue to receive Department of Labor and Industries (L&I) benefits until the claim is closed. Claims are generally closed when the injured employee's doctor or another physician certifies that further treatment will not improve the condition, L&I has no information showing further treatment is needed, or the injury was minor and treatment was successful.

Travel costs for health care treatment related to the claim may be reimbursed when the injured worker is required to travel more than ten miles one way from his or her home, no other provider of the same type is

available closer to the injured worker's home, and the claim manager has pre-authorized travel.

Mechanical appliances required as permanent equipment after treatment has been completed must continue to be provided or replaced without regard to the date of injury or the date treatment was completed.

Summary: Injured workers must be reimbursed for reasonable travel expenses when travel is required in order to repair, replace, or alter a prosthetic, orthotic, or similar permanent mechanical appliance after closure of the claim.

The reimbursement provisions do not cover travel for the repair or replacement of hearing-aid devices.

Votes on Final Passage:

Senate	46	2
House	96	0

Effective: June 12, 2008

SSB 6260
C 10 L 08

Facilitating outdoor recreational opportunities for the terminally ill.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Kilmer, Swecker, Jacobsen, Morton, Schoesler, Sheldon, Murray and Rasmussen).

Senate Committee on Natural Resources, Ocean & Recreation

House Committee on Agriculture & Natural Resources

Background: The Department of Fish and Wildlife (DFW) is charged with the management of the state's wildlife resources, including classifying wildlife, regulating the taking of wildlife, regulating the equipment and methods used to take wildlife, and establishing game reserves and areas closed to hunting. DFW issues a license to a person who wishes to hunt or take wild animals, wild birds, or fish.

Summary: DFW may provide licenses, tags, permits, stamps, and fees without a charge or a transaction fee to provide a hunting or fishing opportunity to a terminally ill person. DFW may accept donations of a raffle permit, an incentive permit, or an opportunity to hunt during a special hunting season from donors who want to contribute to a hunting opportunity for a terminally ill person.

DFW may accept special permits or other special hunting opportunities from donors who want to provide a hunting opportunity for a terminally ill person. DFW may also enter into agreements with a landowner to provide a hunting opportunity for a terminally ill person. DFW may promulgate rules as necessary to implement this section.

Votes on Final Passage:

Senate 45 0
House 95 0

Effective: June 12, 2008

SB 6261
C 212 L 08

Requiring the workforce training and education coordinating board to conduct research and advise the governor and the legislature regarding policies and programs to alleviate the high unemployment rate of young adults.

By Senators Kilmer, Rockefeller, Schoesler, Shin, Fraser and Rasmussen.

Senate Committee on Higher Education
House Committee on Higher Education

Background: The Workforce Training and Education Coordinating Board (WTECB) is a tripartite partnership of business, labor, and government with 11 members. The WTECB advises the Governor on workforce development policy, ensures that the state's workforce preparation services and programs work together, and evaluates performance. The Board also advocates for the nonbaccalaureate training and education needs of the workers who account for about 75 percent of Washington State's workforce.

Summary: In cooperation with the operating agencies of the state training system and private career schools and colleges, the WTECB conducts research into and evaluates programs and training systems designed to provide comprehensive work and learning programs for adult youth between the ages of 18 and 24 years of age. The research must include student demographic data, to the extent possible, and must also include a comparison of the effectiveness of the programs to the public investment. The WTECB reports to the Legislature by November 15, 2008, and every two years thereafter.

Votes on Final Passage:

Senate 47 0
House 93 1 (House amended)
Senate 47 0 (Senate concurred)

Effective: June 12, 2008

SB 6267
C 154 L 08

Repealing RCW 18.79.255.

By Senators Keiser, Kastama, Franklin, Pflug and Kohl-Welles.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Advanced registered nurse practitioners (ARNPs) are registered nurses with additional formal specialized training in areas such as pediatrics, midwifery, geriatrics anesthesiology, and psychiatry. ARNPs function more independently than registered nurses and assume primary responsibility and accountability for care of their patients.

Current law permits ARNPs to prescribe legend drugs and Schedule V controlled substances. ARNPs may prescribe Schedule II-IV controlled substances subject to their scope of practice. ARNPs may dispense a maximum of a 72-hour supply of Schedule II-IV controlled substances.

Summary: The limitation on ARNPs dispensing a maximum of a 72-hour supply of a Schedule II-IV controlled substance is eliminated.

Votes on Final Passage:

Senate 44 2
House 95 1

Effective: June 12, 2008

SB 6271
C 31 L 08

Concerning the compensation of special purpose district commissioners.

By Senators Hatfield, Fairley and Sheldon.

Senate Committee on Government Operations & Elections
House Committee on Local Government

Background: Special purpose districts are limited purpose local governments authorized by law to perform a single function or a limited number of functions. Examples of special purpose districts are water-sewer districts, public hospital districts, fire protection districts, and public utility districts. Special purpose districts are governed by a board of commissioners. A board consists of three members and may increase to five or seven members when the board determines it is in the best interest of the district.

Each commissioner receives a per diem amount of \$90 per day for the performance of services on behalf of the district. During the 2007 Legislative Session, the per diem compensation increased from \$70 to \$90. Current law requires water-sewer districts and public hospital districts' boards to pass a resolution prior to increasing a commissioners compensation. As a result, commissioners are required to take this action to receive the per diem increase.

Summary: The resolution requirement for the payment of compensation in water-sewer districts and public hospital districts is removed.

Votes on Final Passage:

Senate 42 6
House 94 1

Effective: June 12, 2008

SB 6272

C 3 L 08

Expanding financial literacy through education and counseling to promote greater homeownership security.

By Senators Berkey, Hobbs, Fairley, Keiser, Kilmer, McDermott, Kauffman, Kohl-Welles, Murray, Shin, Regala, Kline, Spanel, Rasmussen and Franklin; by request of Governor Gregoire.

Senate Committee on Financial Institutions & Insurance
Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Governor created a task force to evaluate instability in the national subprime mortgage market and to make recommendations to minimize the impact of this national trend in Washington. One charge of the task force was to provide recommendations for consumer education to those in foreclosure or at risk of foreclosure, and to potential new home buyers.

On December 14, 2007, the final report of the Washington Task Force for Homeowner Security made 24 recommendations in eight subject categories.

Those recommendations concerning financial literacy and education include provisions for consumer education, outreach, and counseling programs.

Summary: The Department of Financial Institutions (DFI) is directed to disseminate information to the public about the laws regulating financial institutions and to assist the public in obtaining information about financial products.

The DFI is authorized to establish and implement at least two programs. One program includes education and outreach that promote financial literacy. This program is designed to foster financial independence, fiscal responsibility, and financial management skills in Washington's citizens. The other program includes counseling, marketing, and outreach about financial products or practices in the marketplace that relate to homeownership.

The DFI is required to convene an interagency work group on the status of state-funded financial literacy efforts; to assess whether there are opportunities to create a centralized location for information about these efforts; and to explore expansion of partnerships with community entities providing financial literacy services. A report to the Legislature and the Governor on the findings and recommendations of the work group is required by December 1, 2008.

Votes on Final Passage:

Senate 48 0
House 69 27

Effective: February 11, 2008

SSB 6273

C 76 L 08

Addressing the nondivisible gross weight limit of farm implements on public highways.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Rasmussen).

Senate Committee on Transportation
House Committee on Transportation

Background: Current law restricts the length, width, and weight of vehicles that may operate on public highways. The Department of Transportation (DOT) is authorized to issue special permits to vehicles that exceed the length, width, or weight restrictions. DOT may issue annual permits to farm implements with a gross weight less than 45,000 pounds.

Many modern farm implements have a gross weight greater than 45,000 pounds.

Summary: The weight restriction for vehicles that may operate on a farm implement special permit is increased to 65,000 pounds. Vehicles operating on a farm implement special permit must comply with the statute that governs the distribution of the vehicle's weight over a specified wheelbase and number of axles.

Votes on Final Passage:

Senate 45 0
House 93 0

Effective: June 12, 2008

SB 6275

C 77 L 08

Granting authority for drainage district commissioners to implement drainage maintenance plans.

By Senators Haugen and Rasmussen.

Senate Committee on Agriculture & Rural Economic Development
House Committee on Agriculture & Natural Resources

Background: The formation of drainage districts is authorized under state laws dating back to 1895. The board of a drainage district consists of three elected commissioners. The commissioners are authorized to develop a general plan of improvement and to carry out a number of activities with respect to maintenance, improvement, construction, alternation, or abandonment of existing drains or ditches.

Summary: Drainage districts are explicitly authorized to implement the provisions of drainage maintenance plans that have been adopted by the district.

Votes on Final Passage:

Senate 48 0
House 95 1

Effective: June 12, 2008

SSB 6277
C 257 L 08

Providing for the accommodation of certain private transit providers at park and ride lots.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Spanel).

Senate Committee on Transportation
House Committee on Transportation

Background: Various local transit agencies own and operate park and ride lots as part of the agencies' public transportation service. The transit agencies provide regularly scheduled service at the lots. The park and ride lots are not specifically established for the purpose of accomodating private transit options, such as aeroporters and special-needs' transportation providers.

Summary: Any local transit agency that has received state funding for a park and ride lot must accommodate at that lot auto transportation companies (e.g., aeroporters) or special-needs' transportation providers. Only private transit providers that intend to provide, or already provide, regularly scheduled service at that lot qualify for the accommodation. The accommodation must be in the form of an agreement between the transit agency and the private transit provider. However, no accommodation is required if the lot is at or exceeds 90 percent capacity.

Local transit agencies may enter into cooperative agreements in order to accommodate taxicab companies at park and ride lots.

Votes on Final Passage:

Senate 48 0
House 94 0 (House amended)
Senate (Senate refused to concur)
House 96 0 (House amended)
Senate 47 0 (Senate concurred)

Effective: June 12, 2008

SB 6283
C 11 L 08

Addressing membership on the apple commission.

By Senators Rasmussen and King; by request of Washington Apple Commission.

Senate Committee on Agriculture & Rural Economic Development

House Committee on Agriculture & Natural Resources

Background: The Washington Apple Commission (Commission) is composed of 15 members including nine apple producers, four apple dealers, and the Director of the Department of Agriculture. The term of office is three years. If a vacancy occurs, a procedure exists for filling the vacancy.

The procedures for selecting the members to serve on the Commission were modified in 2004 in accordance with the advice of the Attorney General's Office following court rulings affecting the operation of the Commission.

The process for selecting Commission members includes a nomination process, holding an advisory election, and forwarding the two candidates names receiving the most votes for potential appointment by the Director.

To nominate a person, a public meeting is convened during the annual meeting of apple producers. A person may be nominated orally at that meeting, or nominations may be made within five days after the meeting by written petition signed by not less than five apple growers or dealers. If only two persons are nominated, an advisory vote need not be held and the candidate's names must be forwarded to the Director for potential appointment.

Under current law, if only one candidate is nominated, the Commission is required to select a second candidate and forward that person's name to the Director.

Summary: Instead of requiring the Commission to submit a second name to the Director, explicit authority is provided for the Director to appoint or to reject the sole nominee.

If a Commission member fails or refuses to perform his or her duties due to excessive absence, dishonesty, or willful misconduct, the Commission may recommend that the Commission member be removed. The recommendation is submitted to the Director for determination as to whether adequate cause for removal exists. The Director may remove the member and may declare the position vacant which must then be re-filled.

Votes on Final Passage:

Senate 44 0
House 95 0

Effective: June 12, 2008

SB 6284

C 12 L 08

Modifying provisions relating to the dairy products commission.

By Senators Schoesler and Rasmussen.

Senate Committee on Agriculture & Rural Economic Development

House Committee on Agriculture & Natural Resources

Background: The Dairy Products Commission has authority to administer programs to promote dairy products and conduct market research projects. The commission is funded by an assessment on milk products.

Ten members are currently on the commission including a dairy producer from each commission district, one dealer, one producer-dealer, and the Director of the Department of Agriculture. Members serve three year terms. Commission districts are created by rule to provide reasonably equal representation on the commission.

A process exists for dairy producers to nominate other dairy producers from their district to serve as a member of the commission. An advisory vote is held within the district and the two names of the candidates receiving the most votes are forwarded to the Director for potential appointment to the commission. If only one candidate is nominated for a position, the commission currently selects a second candidate to be forwarded to the Director.

Summary: The number of members on the commission is reduced from ten to nine through the deletion of the producer-dealer member. If only one person is nominated for a position on the commission, the requirement that the commission forward the name of a second candidate to the Director is deleted. The Director is provided with explicit authority to appoint or to reject a single nominee.

Vacancies that occur during the term of a member may be filled from a list of candidates forwarded by the commission to the Director. If only one name is forwarded, the Director has the discretion to appoint or reject the candidate and to request additional candidates.

Clarification is provided that producer members must be engaged as an owner or shareholder of the entity producing dairy products.

If a commission member has excessive absences or engages in dishonesty or willful misconduct, the commission is to recommend to the Director the removal of the member. If the Director finds that adequate cause exists, the member must be removed from the commission.

Votes on Final Passage:

Senate	46	0
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House	91	4
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Effective: June 12, 2008

SB 6289

C 244 L 08

Regarding Puget Sound Dungeness crab catch record cards.

By Senators Spanel, Swecker, Jacobsen, Morton and Shin; by request of Department of Fish and Wildlife.

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

House Committee on Agriculture & Natural Resources

Background: Current statute states that catch record card information is necessary for proper management of the state's fish and shellfish resources.

In addition to a recreational license, fishers must have a catch record card endorsed for Puget Sound Dungeness crab in order to fish for or possess Dungeness crab in Puget Sound. The Department of Fish and Wildlife (DFW) must provide initial catch record cards at no cost, and subsequent catch record cards generally cost \$10. The cost of a Dungeness crab endorsement varies depending on the type of license the fisher holds, but in no case exceeds \$3.

DFW has broad authority to adopt catch record card reporting requirements by rule. Persons who do not follow DFW's fish and wildlife harvest reporting requirements are subject to a misdemeanor.

DFW estimates that catch record card reporting compliance for the recreational Puget Sound Dungeness crab catch is approximately 30 percent.

Summary: DFW may establish an administrative penalty for failure to comply with rules requiring recreational fishers to report Puget Sound Dungeness crab catch record card data. The total administrative penalty imposed per fisher may not exceed \$10. Such a violation would no longer constitute a misdemeanor.

DFW may also require recreational fishers to report the required data and pay the administrative penalty in order to receive a new Puget Sound Dungeness crab catch record card.

DFW must annually report to the Legislature the rate of fisher compliance with these reporting requirements, the administrative penalty imposed for a violation, and the total amount of administrative penalties collected.

ESSB 6295

Votes on Final Passage:

Senate	47	0	
House	85	11	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

ESSB 6295

C 258 L 08

Creating workplace-based learning opportunities.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Rockefeller, Hobbs, Shin, Franklin, Marr, Rasmussen, Kastama, Kauffman, Keiser, Kohl-Welles, Hatfield, Berkey and Regala).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Appropriations

Background: More than 34 percent of Washington residents age 18 to 64 have only a high school diploma. The 2008 Strategic Master Plan for Higher Education in Washington identifies the role that the higher education system can play in addressing this issue and preparing Washington's workforce. The Master Plan recognizes the need to create more coordinated career pathways among the two-year and four-year degree programs. Specifically, the Master Plan cites the need for more portable and flexible options for promoting and financing skill upgrade training and professional development.

Summary: The Workforce Training and Education Coordinating Board (WTECB) selects up to eight public or private institutions of higher education, including at least four community or technical colleges, to develop and offer pilot projects providing employer workplace-based educational programs with distance learning components. Institutions apply to become pilot colleges and are selected based upon established criteria. By September 2008, the WTECB selects employers. They have the ability to offer employment and workplace-based educational programs with distance learning components in cooperation with selected higher education institutions. The pilot program is funded using a matching fund strategy and is evaluated by December 1, 2012, after which the pilot program expires.

A work group is jointly convened by the WTECB and the State Board for Community and Technical Colleges, to take the following actions related to electronically distributed learning in addition to the study outlined in the original bill: (1) review and establish standards and best practices; (2) recommend methods to increase student access as well as identify barriers to participation and completion; (3) determine methods to increase the supply of open course materials; (4) recommend methods to increase the availability of digital open

textbooks; and (5) review and report demographic information on programs of study including enrollments, retention, and completion. Participation requires a demonstrated commitment from workplaces applying for the grant.

The WTECB identifies and evaluates current national private employer workplace-based educational programs with distance learning components provided by higher education public institutions. The results of the study are reported to the Legislature by December 1, 2008.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House	94	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

SSB 6297

C 309 L 08

Changing elected prosecuting attorney salaries.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Brandland and Sheldon).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Article 11, section 5 of the state Constitution specifies that the Legislature must regulate the compensation of elected county officials, including the elected prosecuting attorney. The same section allows the Legislature to delegate to the county legislative authority the authority to set the salaries of its own members and other county officers. Since 1971 the Legislature has delegated this responsibility to the county via RCW 36.27.060. Additionally, the same statute also requires the state to pay one-half of the salaries of each elected county prosecuting attorney. The Office of the State Treasurer currently remits the state's share to the counties. In 2008 the salary for the elected county prosecuting attorneys ranged from a maximum of \$155,694 in King County to a minimum of \$52,588 in Garfield County; the average being \$106,764.

Under RCW 2.08.092, the annual salary a Superior Court judge is set by the Washington Citizens' Commission on Salaries for Elected Officials. For 2008 the Superior Court Judges salary has been set at \$140,979.

Summary: The Legislature finds that the elected county prosecuting attorney functions as both a state officer pursuing criminal cases on behalf of the state and as a county officer acting as counsel for the county, school districts, and lesser taxing districts as provided in statute. The responsibilities and decisions of the elected

prosecuting attorney are the same in every county of Washington, and the same level of skills and expertise need to be exercised in the least populous county as it is in the most populous county. The Legislature further finds that the salary of the elected prosecuting attorney should be tied to that of the Superior Court judge.

Effective July 1, 2008, the state must contribute an amount equal to one-half of the salary of a Superior Court judge towards the salary for the county's elected prosecuting attorney. Upon receipt of the state's contribution, each county must continue to contribute an amount equal to or greater than the amount it contributed in 2008 towards the elected county prosecutor's salary. The requirement that the state pay half of the salary of the elected prosecuting attorney is removed.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 1, 2008

SSB 6306

C 259 L 08

Providing an additional procedure for visitation rights for relatives of dependent children.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Rockefeller, Fairley, Kline and Shin).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

Background: The juvenile court in a dependency matter has the authority to order visitation between the parent and the child, the child and siblings, and the child and step-siblings. Visitation is the right of the family, including the child and the parent, when visitation is in the best interests of the child.

Summary: A dependent child's relative may petition the juvenile court in a dependency matter for reasonable visitation with the child if the following exists:

- The child has been found dependent under RCW 13.34 or through voluntary relinquishment under the adoption statutes.
- The parental rights of both of the child's parents have been terminated.
- The child is in the custody of DSHS or another public or private agency.
- The child has not been adopted and is not in a pre-adoptive home or other permanent placement at the time the petition is filed.

The term relative does not include the child's parent.

The court may grant the petition if it finds the above factors have been met, that unsupervised visits between

the child and the relative do not present a risk to the child's safety or well-being, and the visitation is in the best interest of the child. In determining the best interest of the child, the court must consider at least the following:

- the love, affection, and strength of the relationship between the child and the relative;
- the length and quality of the prior relationship between the child and the relative;
- any criminal convictions for or founded abuse history by the relative of a child;
- whether the visitation will present a risk to the child's health, welfare, or safety;
- the child's reasonable preference; and
- any other factor relevant to the child's best interest.

The court may modify the visitation order at any time upon a showing that the visitation poses a risk to the child's safety or well-being. The visitation order must state that it will terminate upon the child's placement in a pre-adoptive home or if a subsequent abuse or neglect allegation is found against the relative.

This petition process is not intended to impair or alter any authority a court currently has to order visitation in a dependency matter.

Votes on Final Passage:

Senate	47	0
House	94	0

Effective: June 12, 2008

SSB 6309

C 32 L 08

Requiring disclosure of greenhouse gas vehicle emissions.

By Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Kohl-Welles, Jacobsen, Regala, Oemig, Pridemore, Murray, Marr, Hatfield, Kline and Tom).

Senate Committee on Water, Energy & Telecommunications

House Committee on Ecology & Parks

Background: Greenhouse gases are substances that include carbon dioxide (CO₂), methane, and chlorofluorocarbons. Greenhouse gas emissions contribute to global warming. In Washington, automobiles account for roughly 25 percent of total greenhouse gas emissions. The transportation sector as a whole contributes nearly 45 percent of total state greenhouse gas emissions. Presently no requirement exists in Washington to disclose to consumers, other motorists, or the general public the greenhouse gas emissions of new motor vehicles. California and New York have recently passed legislation requiring disclosure of greenhouse gas tailpipe

emissions, and are now developing consumer disclosure labeling programs for new automobiles.

Summary: The Department of Ecology (Ecology) must develop and implement a greenhouse gas emissions disclosure labeling program. Disclosure labels must be conspicuously affixed to new passenger cars, light duty trucks, and medium duty passenger vehicles offered for sale beginning with the 2010 model year. Disclosure labels should use an index or rating system that compares the vehicle’s greenhouse gas emission levels with the average greenhouse gas emissions levels of all vehicles offered for sale in the same model year. In addition, the index or rating system should identify the vehicle model with the lowest greenhouse gas emission levels for the model year. An emissions disclosure label that complies with the requirements of the California vehicle labeling program must be deemed to meet the requirements of this act. Automobile manufacturers may apply to Ecology for approval of an alternative to the disclosure labeling requirement, provided the alternative is as effective as the disclosure label required by Ecology. Ecology must provide the Legislature with a progress report by December 1, 2008. The report must also provide: (1) an update on the status of California's greenhouse gas vehicle labeling program; and (2) recommendations as necessary for legislation to meet the intent and purpose of the act by the 2010 model year.

Votes on Final Passage:

Senate 39 10
House 66 28

Effective: June 12, 2008

SB 6310
PARTIAL VETO
C 213 L 08

Correcting obsolete references concerning chapter 10.77 RCW.

By Senator Hargrove.

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: In 2007 the Legislature passed SSB 5533 (C 375 L 07) which repealed RCW 10.77.090, relating to competency restoration and civil commitment following dismissal of a criminal case, and replaced it with three new code sections. Several other statutes that point to the former RCW 10.77.090 now contain incorrect cross-references. SSB 5533 also changed the eligibility criteria for competency restoration treatment in nonfelony cases, rendering certain definitions and other sections in chapter 10.77 RCW obsolete.

Summary: This legislation corrects cross references to chapter 10.77 RCW.

Votes on Final Passage:

Senate 47 0
House 96 0 (House amended)
Senate 43 0 (Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The emergency clause is removed.

VETO MESSAGE ON SB 6310

March 27, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 15, Senate Bill 6310 entitled:

“AN ACT Relating to correcting obsolete references concerning chapter 10.77 RCW.”

Section 15 is an emergency clause. An emergency clause is to be used where it is necessary for the immediate preservation of the public peace, health or safety or whenever it is essential for the support of state government. This bill makes technical corrections to existing law by deleting obsolete terms and correcting references. I do not believe that an emergency clause is warranted.

For this reason, I have vetoed Section 15 of Senate Bill 6310. With the exception of Section 15, Senate Bill 6310 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SB 6313
C 167 L 08

Recognizing disability history in the public education system.

By Senators McAuliffe, Rasmussen, Tom, Delvin, Shin, Kohl-Welles, Fairley and Fraser.

Senate Committee on Early Learning & K-12 Education
House Committee on Education
House Committee on Appropriations Subcommittee on Education

Background: A number of famous people in history and in modern times have had or have some form of disability. Despite their disabilities, these individuals were successful in many different walks of life.

Summary: Each October, public schools, colleges, and universities must conduct and promote educational activities that provide instruction, awareness, and understanding of disability history and people with disabilities. The activities may include school assemblies or guest speakers.

Votes on Final Passage:

Senate	49	0	
House	94	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 12, 2008**SSB 6317**

C 310 L 08

Requiring the payment of interest upon failure to pay death benefits that are payable under the terms of a group life insurance policy.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Berkey and Kline).

Senate Committee on Financial Institutions & Insurance
House Committee on Insurance, Financial Services & Consumer Protection

Background: Individual life insurance policies are required to pay interest on death benefits that are payable under the terms of the policy. The interest begins to accrue on the date of death of the insured at the rate then paid by the insurer on other withdrawable policy proceeds left with the company or 8 percent, whichever is greater. Interest increases an additional 3 percent if benefits have not been paid to the beneficiary within 90 days of receipt of proof of death. In contrast, group life insurance policies do not require the payment of interest on death benefits.

Summary: No interest is due to the payee of a group life insurance policy if the insurer pays the death benefits within 30 days of receipt of satisfactory proof of death. If the insurer fails to make this payment within this 30-day period, then interest is charged from the date of death until payment is made. If the delay in payment extends 90 days from the receipt of proof of death, interest accrues from the 91st day until payment is made at the previous interest rate plus 3 percent. The base interest rate is calculated as the rate then paid by the insurer on other withdrawable policy proceeds left with the company or 8 percent, whichever is greater.

Votes on Final Passage:

Senate	48	0
House	94	0

Effective: June 12, 2008**SSB 6322**

C 33 L 08

Revising the definition of a weapon.

By Senate Committee on Judiciary (originally sponsored by Senators Kohl-Welles, Fairley and Kline; by request of Board For Judicial Administration).

Senate Committee on Judiciary
House Committee on Judiciary

Background: It is a gross misdemeanor to enter certain locations when in knowing possession or control of a weapon. Weapons are prohibited in restricted areas of court facilities, including courtrooms, jury rooms, judge's chambers, offices and areas used to conduct court business, waiting areas, and corridors adjacent to areas used in connection with court proceedings.

The weapons prohibition in court facilities does not apply to: (1) a person engaged in official military duties; (2) law enforcement personnel, except in some circumstances when the law enforcement officer is present in a courthouse as a party to actions relating to protection orders; or (3) security personnel while engaged in official duties.

A weapon is defined as any firearm, explosive, or instrument or weapon listed in another dangerous weapons statute, e.g., slung shot, sand club, metal knuckles, and various types of knives. Specifically, prohibited knives include:

- a spring blade knife;
- any knife the blade of which is automatically released by a spring mechanism or other mechanical device; and
- any knife having a blade which opens, falls, or is ejected into position by the force of gravity, or by an outward, downward, or centrifugal thrust or movement.

The referenced dangerous weapons statute creates a penalty for possession of certain other weapons such as a dagger, dirk, or pistol only when the weapon is carried furtively "with intent to conceal."

Summary: The definition of weapons that may not be brought into areas of any building used in connection with court proceedings is amended. Instead of referencing the definition of "weapon" contained in another dangerous weapons statute, prohibited weapons are specified. The new list of prohibited weapons includes all previously excluded items, as well as any knife, dagger, dirk, or other similar weapon that is capable of causing death or bodily injury and is commonly used with the intent to cause death or bodily injury. In no instance is the prohibition limited to a weapon carried furtively with intent to conceal.

Votes on Final Passage:

Senate 45 3
House 95 0

Effective: June 12, 2008

SSB 6324

C 34 L 08

Providing liability immunity for aerial search and rescue activities managed by the department of transportation.

By Senate Committee on Transportation (originally sponsored by Senators Sheldon, Haugen and Shin).

Senate Committee on Transportation
House Committee on Judiciary

Background: Under current law, the Aviation Division of the Washington State Department of Transportation (WSDOT) conducts and manages all aerial search and rescue activities within the state that typically involves downed aircraft. However, as part of their emergency management responsibilities, local law enforcement officers generally manage those aerial search and rescue activities that support ground missions (e.g., missing persons or downed aircraft when ground personnel are used). Search and rescue activities managed by either the state or local governments often involve the use of volunteers.

HB 1073 (C 292 L 07), enacted during the 2007 Legislative Session, provides liability immunity for certain volunteer emergency workers while engaged in emergency management activities, including search and rescue activities. However, the liability immunity was provided only to those volunteers managed by a local emergency management organization or the state Military Department. HB 1073 did not specifically cover aerial search and rescue personnel managed by the WSDOT Aviation Division.

Summary: Persons registered with the WSDOT Aviation Division, and engaged in aerial search and rescue activities managed by WSDOT, are generally immune from liability for civil damages resulting from the activities. WSDOT is also immune from such liability.

Votes on Final Passage:

Senate 47 1
House 95 0

Effective: June 12, 2008

SSB 6328

C 168 L 08

Enhancing campus security.

By Senate Committee on Higher Education (originally sponsored by Senators Kohl-Welles, Shin, Schoesler, Kilmer, Delvin, McAuliffe and Rasmussen; by request of Governor Gregoire).

Senate Committee on Higher Education
House Committee on Higher Education
House Committee on Appropriations

Background: Recent national and local events on college campuses have caused institutions of higher education (institutions) to refocus on campus security and safety. The Governor has identified the need for each state college and university to update its campus plans for emergency preparedness and response procedures and provide this information to students, faculty, and staff.

Currently, each institution annually updates and distributes a report that includes crime statistics for the prior three-year period. In addition, each institution provides every student and new employee with information regarding enrollments, campus non-student workforce profiles, the number of campus security personnel, and the arrangements with state and local police.

Summary: Each institution makes available to students, faculty, and staff a campus safety plan (plan). Other interested people may obtain the plan upon request. Information that must be included in the plan is specified. For the most recent academic year, the plan must include: (1) a description of programs and services offered by the institution and student organizations providing crime prevention and counseling; and (2) security policies and programs at student housing facilities.

Each institution enters into memoranda of understanding that outline institutional and local jurisdiction responsibilities during campus emergencies. Institutions also enter into mutual aid agreements with local jurisdictions regarding equipment and technology sharing in the case of campus emergencies. Institutions already have task forces to annually examine campus safety issues. These task forces must now also annually review the campus safety plans and make suggestions for improvement. A specific individual must be designated for monitoring and coordinating the institution's compliance with the campus safety laws. Information that must be included in the plan is specified.

By October 30, 2008, each institution must submit a self-study, assessing its ability to ensure campus safety and an evaluation of its ability to provide an appropriate level of mental health services, to its respective state governing board; plans to address unmet safety needs of each campus must also be included. In October of each even-numbered year, each institution must also submit

an updated safety plan. The Higher Education Coordinating Board and the State Board for Community and Technical Colleges report to the Governor and higher education committees biennially on compliance and recommendations on measures to ensure campus safety and security.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	41	0	(Senate concurred)

Effective: June 12, 2008

SB 6332
C 111 L 08

Increasing the debt limit of the housing finance commission.

By Senators Kauffman, Kilmer, Shin, Murray, Sheldon, Marr, Rasmussen, Franklin, Berkey, Haugen, Kohl-Welles, Regala, Keiser, Spanel, McDermott, Rockefeller, Kline, Tom and McAuliffe; by request of Governor Gregoire.

Senate Committee on Consumer Protection & Housing
House Committee on Capital Budget

Background: The Washington State Housing Finance Commission (Commission) was created in 1983 to act as a financial conduit that, without lending the credit of the state, can issue nonrecourse revenue bonds; participate in federal, state, or local housing programs; make additional funds available at affordable rates to help provide housing throughout the state; and encourage the use of Washington forest products in residential construction.

In 1987 the Commission was designated as the state's allocating agency for the Low-Income Housing Tax Credit program. In 1990 the Commission's authority was expanded by the Legislature to finance nursing homes, and capital facilities and equipment owned by nonprofit 501(c)(3) organizations. In 2005 the Legislature gave the Commission the authority to issue bonds for beginning farmers and ranchers.

The Commission is authorized to provide construction and permanent financing for low – and moderate – income housing, nonprofit cultural and social service facilities, capital equipment, and beginning farmers and ranchers within the state.

To date the Commission has financed more than 126,066 affordable housing units and elderly beds across the state and 132 nonprofit facilities. A study by the Washington Center for Real Estate Research in 2005 showed that the Commission has contributed more than \$22 billion to the state's economy and supported more than 17,583 labor years of employment.

The Commission's original debt limit was \$1 billion and recently increased to \$4.5 billion in 2006. The

Commission is close to their current debt limit and once that debt limit is reached, it must stop issuing debt to finance affordable housing and nonprofit facilities.

Summary: The Commission's debt limit is increased from \$4.5 billion to \$5 billion.

Votes on Final Passage:

Senate	47	0	
House	93	1	(House amended)
Senate			(Senate refused to concur)
House	96	1	(House amended)
Senate	47	2	(Senate concurred)

Effective: June 12, 2008

ESSB 6333
C 311 L 08

Establishing a citizens' work group on health care.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Kohl-Welles, Marr and McAuliffe).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: A variety of health reform proposals are under consideration across the country and in the state, ranging from reforming health care purchasing, expanding access to insurance products, redesigning insurance products to be more affordable, or providing universal coverage for all residents. Many states considering a range of reform efforts have formed commissions or citizen work groups for broad discussion of potential options.

Summary: The Legislature must contract with a consultant to evaluate a number of health care reform proposals, including: (1) a proposal that modifies insurance regulations to address specific groups that have lower rates of coverage such as small employers and young adults; (2) a proposal that includes the components of the Massachusetts legislation to establish a health insurance connector; (3) a proposal to provide a comprehensive, standardized benefit package for all residents; and (4) a proposal to establish a single-payer system similar to the health care system in Canada. In addition, the consultant must review the actuarial analysis of the Insurance Commissioner's proposal for a guaranteed benefit plan. The results of the evaluation are due to the Governor, the Legislature, and the work group by December 15, 2008.

After January 30, 2009, the Governor must make appointments to the Washington Citizens' Work Group on Health Care Reform. Members include nine citizens representing business, labor, health care providers, consumer groups, and experts in health care financing and health care ethics, and four legislators, representing each

caucus of the Senate and the House of Representatives. The work group must review the analysis of the health reform proposals and engage in a public process that may include public forums, invitational meetings with community leaders or other interested individuals and organizations, and web-based communication. Staff support for the work group will be provided by the Office of Financial Management, and the work group may hire up to two staff. The work group must submit a final report by November 1, 2009, with a summary of the public engagement process and the work group recommendations to the Governor and the Legislature.

Votes on Final Passage:

Senate 31 17
House 63 31 (House amended)
Senate 28 18 (Senate concurred)

Effective: June 12, 2008

SB 6335
C 2 L 08

Concerning the homeless families services fund.

By Senators Prentice, Shin, Kohl-Welles and McAuliffe.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Legislature created the homeless families services fund in 2004 and since then has appropriated \$6 million into the account; the Department of Community, Trade and Economic Development (CTED) administers the fund.

The fund may be used to provide state matching funds for housing-based supportive services for homeless families. Activities eligible for funding include: case management, counseling, referrals to employment and job training, domestic violence services and programs, mental health services and programs, substance abuse services and programs, parenting skills' education and training, transportation assistance, and child care.

Organizations authorized to receive funds include local housing authorities, nonprofit community or neighborhood-based organizations, public development authorities, federally recognized Indian tribes, and regional or statewide nonprofit housing assistance organizations.

To date, all funds appropriated to the fund have been transferred to the Washington Families Fund, which is jointly administered by CTED and Building Changes, a statewide nonprofit. CTED authorizes release of the funds as private matching funds are received.

Summary: Six million dollars of the state General Fund is appropriated for expenditure in the homeless families services fund.

Votes on Final Passage:

Senate 48 0
House 83 13

Effective: February 6, 2008

SSB 6339
C 312 L 08

Providing for address confidentiality of victims of trafficking.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Kohl-Welles, Swecker, Hargrove, Regala, Fraser, Marr and Kauffman).

Senate Committee on Human Services & Corrections
House Committee on State Government & Tribal Affairs

Background: Victims of domestic violence, sexual assault, or stalking may apply to the Secretary of State to have an alternative address designated as the person's address. This allows state and local agencies to comply with requests for public records without disclosing the confidential location of a victim.

The application must include a sworn statement from the applicant that he or she is a victim of domestic violence, sexual assault, or stalking and fears for his or her safety. The applicant must also provide the Secretary of State with contact information as well as the designated address that the applicant requests remain confidential.

Trafficking is generally when a person recruits, harbors, or transports another person knowing that force, fraud, or coercion will be used to cause the person to engage in forced labor or involuntary servitude.

Summary: Victims of trafficking are added to the list of victims eligible for the address confidentiality program. Trafficking has the meaning provided in the current criminal code and as defined in federal law. However, the act does not need to be reported to law enforcement for the victim to utilize the program.

Votes on Final Passage:

Senate 47 0
House 95 0 (House amended)
Senate 47 0 (Senate concurred)

Effective: June 12, 2008

SSB 6340

C 214 L 08

Providing for a water system acquisition and rehabilitation program.

By Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Morton, Sheldon, Swecker, Hobbs, Berkey and Kilmer).

Senate Committee on Water, Energy & Telecommunications

Senate Committee on Ways & Means

House Committee on Capital Budget

Background: The Water System Acquisition and Rehabilitation Program (WSARP) began in 2003 through biennial budget appropriations. WSARP grants protect public health by financing the transfer of ownership of failing drinking water systems to municipal systems with a history of sound utility management. WSARP grants also subsidize capital construction projects to help systems achieve compliance with state and federal safe drinking water standards.

With \$4 million appropriated in 2003, the Public Works Board approved grant funds for 18 projects. Twenty-eight water systems were acquired and rehabilitated. WSARP received \$2 million in 2005 and expects acquisition and rehabilitation of 12 additional water systems. In 2007 WSARP received \$3.75 million, with \$1 million of that appropriated for the City of Republic to acquire the Pine Grove Water System. WSARP is jointly administered by the state Department of Health (DOH), the Public Works Board (PWB), and the Department of Community, Trade and Economic Development (CTED).

Summary: An ongoing WSARP is established. The program is jointly administered by the DOH, the PWB, and CTED. The agencies are required to adopt guidelines for the program using, as a model, the procedures and criteria of the drinking water revolving loan program. The program will provide grants, not to exceed 25 percent of the funds allocated to the appropriation in any fiscal year, to partially cover project costs.

Additionally, the DOH, in consultation with the PWB, must prepare a report on the program. The report must review:

- program projects initiated and completed to date;
- funding levels and funding sources;
- the form of assistance provided, whether grants or loans;
- funding cycles;
- potential eligibility of group B water systems (fewer than 15 service connections to single-family residences) for assistance;
- consideration of benefits other than public health or water quality benefits;

- activities that may be funded beyond acquisition, preconstruction design, and construction including the cost to agencies to operate the program;
- the project priority setting process and relative priority for funding projects for systems that serve few residential customers;
- requiring installation of service meters in funded projects;
- eligibility for grants of municipalities that have not owned and operated a group A water system (15 or more service connections to single-family residences) for at least five years;
- allowing an eligible purveyor that has already acquired a failing water system to be eligible for grants to cover any outstanding costs of rehabilitation of the failing water system;
- tiering of project priorities; and
- consideration of the system's rate base and the ability of the households on the system to afford rate increases to fund a portion of the necessary system rehabilitation.

The report must also include a survey of estimated WSARP funding needs, based on existing informal survey information from local governments, the Utilities and Transportation Commission, and purveyors. The report must be submitted to the fiscal and water policy committees of the Senate and the House of Representatives no later than January 1, 2009.

Votes on Final Passage:

Senate	44	0
House	94	0

Effective: June 12, 2008

SSB 6343

C 83 L 08

Creating a pilot program to examine the impacts of small scale mineral prospecting on coastal areas.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Morton, Carrell and Roach).

Senate Committee on Natural Resources, Ocean & Recreation

House Committee on Agriculture & Natural Resources

Background: In 1967 the Legislature established the Seashore Conservation Area (Seashore) dedicating the public beaches on the Pacific Ocean to public recreation. The State Parks and Recreation Commission (Commission) is authorized to oversee the Seashore under principles established in statute.

The Washington Department of Fish and Wildlife (WDFW) manages fish and wildlife populations to preserve species and provide recreational and commercial fishing and hunting opportunities. Within the Seashore,

WDFW is specifically authorized to regulate the conservation or taking of fish and shellfish.

Under the current statute, small scale prospecting and mining does not require a hydraulic project approval (HPA) if the prospecting is conducted in accordance with rules adopted by WDFW. Small scale prospecting and mining means the use of pans, nonmotorized sluice boxes, concentrators, and minirocker boxes for the discovery and recovery of minerals. The rules are published in the Gold and Fish Pamphlet, which serves as the HPA.

In addition, under current law, anyone removing natural objects from State Park land, without rules allowing otherwise, would be guilty of a misdemeanor.

Summary: The Commission and WDFW must establish a pilot program to allow small scale prospecting and mining on at least three demonstration areas within the Seashore. The pilot program must be conducted from July 1, 2008 through July 1, 2010.

WDFW must issue individual HPAs that require small scale prospecting and mining activities to occur to the greatest extent possible on the beach.

WDFW must report its findings and recommendations regarding small scale prospecting and mining to the Commission by October 1, 2010. The Commission and WDFW must report their findings and recommendations on the potential impacts and the activity of small scale prospecting and mining on ocean beaches to the Legislature by December 1, 2010.

The act expires on December 1, 2010.

Votes on Final Passage:

Senate 45 3
House 96 0

Effective: June 12, 2008

ESB 6357

C 287 L 08

Regarding service of process in domestic violence cases.

By Senators Kohl-Welles, Keiser, Regala, Kline, Murray, Fairley, McDermott, Hargrove, McCaslin, Tom, Marr and Rasmussen.

Senate Committee on Judiciary
House Committee on Judiciary

Background: In domestic violence cases, a court is authorized to provide protective relief to a petitioner, such as restraining the respondent from committing domestic violence and excluding the respondent from the residence, workplace, or school of the petitioner.

When a person petitions for relief from domestic violence, a hearing is required to be held on the petition within 14 days of the date of the order. The petitioner must personally serve the respondent with this order no less than five days before the hearing date. If timely

personal service cannot be made, the court must set a new hearing date. The court must either require additional attempts to obtain personal service or permit service by newspaper publication or mail. If the court permits service by publication or mail, the court must set the hearing no later than 24 days from the date of the order. The court may issue a temporary order for protection pending the hearing.

Following service by publication or mail, if the respondent fails to appear at the hearing, the court may issue a permanent order providing protective relief to the petitioner. The order must be personally served upon the respondent, or served by publication or mail if the court previously authorized such service for purposes of the hearing.

Rebecca Jane Griego, a University of Washington employee, had obtained a temporary protection order against the man who eventually shot her and himself. Ms. Griego returned to court numerous times because the man could not be served, and she did not have a permanent protection order hearing.

Some courts allow for service by publication or mail if service of process fails after an unspecified number of attempts at service.

Summary: If timely personal service of the order setting the hearing cannot be made, the court must set a new hearing date and either require one additional attempt to obtain personal service or permit service by publication or mail. The court must not require more than two attempts to obtain personal service, and must permit service by publication or mail, unless the petitioner requests additional time to attempt personal service. These rules also apply if one seeks to modify a protection order. The requirements for service of notice for a modification hearing are made consistent with the requirements for service of notice for a hearing on a petition for relief from domestic violence.

This act shall be known as the Rebecca Jane Griego Act.

Votes on Final Passage:

Senate 45 0
House 95 0 (House amended)
Senate 46 0 (Senate concurred)

Effective: June 12, 2008

SB 6369

C 169 L 08

Regarding the Washington community learning center program.

By Senators Eide, McAuliffe, Keiser, Franklin and Rasmussen.

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: The federal 21st-Century Community Learning Centers program supports the creation of community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children. Formula grants are awarded to state educational agencies, such as the Office of Superintendent of Public Instruction (OSPI), which in turn manage statewide competitions and award grants to eligible entries.

In 2007 the Washington State Legislature established the Washington Community Learning Center Program, to provide students with tutoring and educational enrichment when school is not in session. Three million is provided in the 2007-09 biennium budget for program grants based on the 21st-Century Community Learning Centers model. OSPI must give priority to grant requests that focus on improving reading and mathematics proficiency for students who attend schools that have been identified as in need of improvement based on the federal No Child Left Behind Act and include a proposal related to providing free transportation for those students in need that are involved in the program. The after-school grant funds may be used to carry out a broad array of out-of-school activities that support and enhance academic achievement.

Summary: The current purpose of the Washington Community Learning Center Program is expanded to support after-school intermediary organizations in their efforts to provide professional development to community learning centers.

Votes on Final Passage:

Senate	49	0
House	96	0

Effective: June 12, 2008

ESSB 6371

C 188 L 08

Regarding tuition and fee waivers for veterans' families.

By Senate Committee on Higher Education (originally sponsored by Senators Hewitt, Hobbs, Shin, Parlette, King, Rockefeller, Swecker, Brandland, McCaslin, Haugen, Kohl-Welles, Rasmussen, Kilmer and Sheldon).

Senate Committee on Higher Education
House Committee on Higher Education

Background: In 2007 the Legislature passed SSB 5002 (C 450 L 07) unanimously. It provides that state higher education institutions must waive all tuition and fees for the children and spouses of eligible veterans or National Guard members who died, are permanently and totally disabled, are missing in action, or are prisoners of war. To be eligible, a child must be a Washington domiciliary between the age of 17 and 26. A surviving spouse, to be eligible, must be a Washington domiciliary, must not have remarried, and it must have been ten years or less since the loss. Each recipient's continued eligibility is subject to the school's satisfactory progress policy.

Summary: It is clarified that the qualifying disability or loss of life must be a result of serving in active military service rather than while engaged in military service. If a death results from a total disability, the surviving spouse has ten years from the date of death in which to receive the waiver. "Totally disabled" means that a person has been determined to be 100 percent disabled by the federal Department of Veterans Affairs. It is also clarified that "fees" include all assessments for costs incurred as a condition of a student's full participation in coursework and related activities.

Students receiving the waivers may attend full- or part-time, but in no case, may the waivers exceed 200 quarter credits or the semester equivalent. Tuition waivers for graduate students are encouraged, but not required. Every two years, the governing boards of institutions of higher education must report on the use of tuition waivers for veterans and National Guard members.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House	94	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

SB 6375
C 260 L 08

Providing a sales tax exemption for certain trail grooming services.

By Senators Hatfield, Schoesler, Carrell, Holmquist, Parlette and Rasmussen.

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

House Committee on Finance

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. Use taxes apply to the value of most tangible personal property and some services when used in this state, if retail sales taxes were not collected when the property or services were acquired by the user. The combined state and local rate varies from 7 to 8.9 percent depending on location.

Included in the retail sales tax base are charges made for clearing land and moving earth, except where land is leveled for the purpose of farming. This includes snow compacting, snow redistribution, and snow removal, on state-owned or privately-owned trails.

The Parks and Recreation Commission (Commission) has managed a winter recreation program since 1975 called Sno-Park. The Commission provides cleared parking areas in close proximity to groomed and backcountry trails on public and private lands. The Commission contracts with vendors to provide the trail grooming services, in which the vendor maintains and arranges the snow cover on the trails to facilitate the type of designated winter recreation for the trail.

Summary: Trail grooming services provided to Washington and nonprofit corporations are exempted from sales tax.

Votes on Final Passage:

Senate 47 1
House 96 1

Effective: June 12, 2008

2SSB 6377
PARTIAL VETO

C 170 L 08

Regarding secondary career and technical education.

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs, Fairley, Rockefeller, McAuliffe, Kohl-Welles, Berkey, Shin, Regala, Oemig, Kilmer, Eide, Fraser, Franklin and Rasmussen; by request of Superintendent of Public Instruction).

Senate Committee on Early Learning & K-12 Education

Senate Committee on Ways & Means

House Committee on Education

House Committee on Appropriations

Background: The Office of the Superintendent of Public Instruction (SPI) defines career and technical education (CTE) as a planned program of courses and learning experiences that begin with exploration of career options, supports basic academic and life skills, and enables achievement of high academic standards, leadership, preparation for industry-defined work, and advanced and continuing education. The SPI is required to set standards for and approve all middle and high school CTE courses and programs.

The Legislature has authorized collections of evidence or student work samples as an alternative assessment to the Washington Assessment of Student Learning (WASL), including a CTE collection of evidence.

Since 2006, the Legislature has funded Navigation 101, which is a life skills and planning curriculum for students in grades 6 through 12 that helps students make plans for life beyond high school. In 2007 the Legislature created the Building Bridges grant program for partnerships of schools, families, and communities to build a comprehensive dropout prevention, intervention and retrieval system.

In 2004 the community and technical colleges began a demonstration project called Integrated Basic Education and Skills Training (I-BEST), which integrates English as a second language (ESL), adult basic education, and professional-technical instruction in the classroom to concurrently provide students with literacy education and workforce skills.

The Future Teachers' Conditional Scholarship Program provides financial aid for teacher candidates who make a commitment to teach in public schools once they have completed a teacher preparation program. Currently, there is a priority for teachers who seek to become endorsed in math, science, technology, and special education.

Last session, the Legislature created the Joint Select Committee on Basic Education Finance to review the definition of basic education and the current basic education funding formulas, develop options for a new funding structure and all necessary formulas, and propose a new

definition of basic education. Additionally, the Legislature created an advisory committee to identify CTE curricula that will assist students to meet the state standard on the WASL or an alternative assessment. The advisory committee was not to extend beyond December 15, 2008.

Summary: The CTE Act is created. Statutes addressing CTE are organized in a new title in the Revised Code of Washington.

The SPI must develop a re-approval schedule for all CTE programs. The programs must meet additional approval criteria by August 31, 2010. Additional criteria are also added for all preparatory secondary CTE programs.

The SPI must establish performance measures and targets for CTE programs in specified areas. If a district fails to meet the performance targets then SPI may require a school district to submit an improvement plan.

The SPI, with the Workforce Training and Education Coordinating Board (WTECB), the Washington State Apprenticeship and Training Council, and the State Board for Community and Technical Colleges (SBCTC) must develop a list of statewide high-demand secondary CTE programs. Subject to funds being appropriated, the WTECB with others, will administer the in-demand scholars program to attract high school students into high-demand fields.

The SPI, SBCTC, WTECB, the Higher Education Coordinating Board (HECB), and the Council of Presidents must work with local school districts and others to develop model CTE programs of study. During the 2008-09 school year, model programs must be developed for construction, health care, and information technology. Additional programs of study must subsequently be developed, with a priority on high-demand programs.

The SPI must provide professional development and technical assistance to support school districts adopt academic course equivalencies for CTE courses. If funds are provided, the SPI will allocate grants to school districts to increase the integration and rigor of academic instruction in CTE courses.

If funds are provided, the SPI must allocate one-time grants to middle and high schools and skill centers to improve CTE curriculum, create a pre-apprenticeship program, upgrade technology and equipment and improve rigor and quality. Priority must be given to high-cost programs (due to technology and equipment necessary to maintain certification) and high-demand programs.

Course completion certificates must be issued by high schools or school districts when a student successfully completes a CTE course as needed for industry certification, college credit, or pre-apprenticeship. The certificate must be part of either the student's high school and beyond plan or culminating project. The SPI must

develop and make available electronic samples of certificates of course completion.

The current practice of community and technical colleges, high schools, and skill centers creating articulation and dual credit agreements for CTE students is codified. Skill centers may enter into agreements with school districts to grant a high school diploma to enable students to attend the skill center on a full-time basis without co-enrollment at the district high school. High school completion programs at skill centers must be designed as dropout prevention and retrieval programs for at-risk and credit-deficient students or fifth-year seniors. Skill centers may use the Building Bridges grants to develop high school completion programs.

If funds are provided, the I-BEST pilot program is created to integrate CTE instruction, core academic and basic skills, and ESL for secondary students. Three-year grants will be allocated to high schools or skill centers on a competitive basis by the SPI. An evaluation of the pilot project must be submitted to the Governor and the Legislature by December 1, 2011. The SBCTC must provide technical assistance to the SPI and the pilot project. Additionally, the SBCTC must designate one or more community and technical colleges with exemplary post-secondary I-BEST programs to serve as mentors for the project. The project expires June 30, 2012.

The requirements for the SPI guidelines addressing the CTE Collection of Evidence are changed to be tailored to at least ten different CTE programs and must be completed by September 1, 2008. Guidelines for ten additional programs must be developed by June 1, 2009.

If funds are appropriated, the SPI must develop and conduct an ongoing campaign to increase awareness among teachers, counselors, students, parents, principals, school administrators, and the general public about the opportunities offered by CTE programs. The SPI must seek advice, participation, and financial assistance from the WTECB, institutions of higher education, foundations, employers, apprenticeship and training councils, workforce development councils and business and labor organizations for the campaign.

The Navigation 101 curriculum may add the exploration of options and opportunities for CTE education, including emerging and high-demand programs. If funds are appropriated, the SPI must provide support for the Navigation 101 programs including on-going development and improvement of the curriculum.

A skill center and local community or technical college may enter into an agreement for the skill center to provide CTE courses that are necessary to complete an industry certificate or credential for students who have received a high school diploma, if the skill center has adequate facilities and capacities to offer the courses, or the community or technical college does not offer the necessary courses. The student may be charged college tuition and fees. The amount transmitted by the college

to the skill center must be an agreed upon amount to pay for the student's courses.

If funds are provided, the SPI must provide grants to offset the costs of required examination or testing fees associated with obtaining state or industry certification in a CTE program. To be eligible, students must meet specified requirements which include having a family income that is at or below 200 percent of the federal poverty level.

CTE teacher candidates are eligible for Future Teacher's Conditional Scholarships to obtain certification or an endorsement. Priority will be given to applicants seeking certification in high-demand programs.

If funds are appropriated, the SPI must conduct a feasibility study to create technical high schools and make recommendations on specified issues. An interim progress report is due to the Governor and the Legislature by December 1, 2008, and a final report with recommendations is due by September 15, 2009.

The SPI must ensure that all funds generated by skill center students under Initiative 728 be returned to the skill centers.

When developing the new funding structure for basic education, the Joint Select Committee on Basic Education Finance must consider the staffing ratios and other components needed to support CTE programs. The CTE curriculum advisory committee is extended to December 2009.

Votes on Final Passage:

Senate	49	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 12, 2008

September 1, 2008 (Section 401)

Partial Veto Summary: The provisions creating the I-BEST pilot program and grants to integrate CTE instruction, core academic skills, and ESL for secondary students are removed. The requirement that the WTECB with others administer the in-demand scholars program to attract high school students into high-demand fields is removed.

VETO MESSAGE ON 2SSB 6377

March 26, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 204 and 307, Second Substitute Senate Bill 6377 entitled:

“AN ACT Relating to secondary career and technical education.”

Section 204 provides for three-year grants to high schools and skills centers for implementing integrated work skills, basic skills and English skills programs. The Legislature did not allocate funding for Section 204 of this bill in either the supplemental operating budget or in Engrossed Second Substitute Senate Bill 6673, which specified the purposes of the appropriations for this legislation. Instead, the Legislature allocated funding in the

supplemental operating budget for program development and plans for implementing integrated programs at five skills centers. I look forward to receiving the report on these efforts in November. This will guide future program development in this area.

Section 307 creates a new program, the In-Demand Scholars Program, to be administered by the Workforce Training and Education Board. The Legislature did not allocate funding for this new program in either the supplemental operating budget or in Engrossed Second Substitute Senate Bill 6673, which specified the purposes of the appropriations for this bill.

For these reasons, I have vetoed Sections 204 and 307 of Second Substitute Senate Bill 6377.

With the exception of Sections 204 and 307, Second Substitute Senate Bill 6377 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SB 6381
C 109 L 08

Establishing fiduciary duties for mortgage brokers.

By Senators Weinstein, Kauffman, Tom, Fairley, McAuliffe, Kohl-Welles, Kline and Murray.

Senate Committee on Consumer Protection & Housing
House Committee on Insurance, Financial Services & Consumer Protection

Background: The relationship between mortgage brokers and borrowers is governed by the Mortgage Brokers Practices Act (MBPA). Under the MBPA, a mortgage broker's legal relationship with a borrower is defined solely by contract.

A fiduciary duty may be created through statute, contract, or through two parties' legal relationship with each other. A court may also declare that a fiduciary duty is owed when a person has encouraged another to put special confidence and trust in him or her. The general fiduciary duties are loyalty, care, and full disclosure. A breach of a fiduciary duty is an intentional tort and is sufficient grounds to cancel a contract.

Summary: Mortgage brokers have a fiduciary duty to borrowers. The fiduciary duties owed are acting in the borrower's best interest, good faith, disclosing all other interests to the borrower, refusing to accept undisclosed compensation for an expense paid by the borrower, following the borrower's instructions, disclosure of all material facts that could impact the borrower's interests, using reasonable care, and providing an accounting to the borrower for all money and property received from the borrower.

The fiduciary duty owed does not require the mortgage broker to obtain access to a loan product that is not available to the broker at the time of the transaction with the borrower.

Mortgage brokers may collect a fee for services if the fee is disclosed to the borrower before the services are provided.

The Department of Financial Institutions must adopt rules to implement this section.

Votes on Final Passage:

Senate	29	19	
House	93	0	(House amended)
Senate	35	9	(Senate concurred)

Effective: June 12, 2008.

SSB 6389

C 84 L 08

Exempting certain military housing from property and leasehold excise taxes.

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Schoesler, Hobbs, Rasmussen, Marr, Franklin and Kilmer).

Senate Committee on Ways & Means
House Committee on Finance

Background: Property Tax. Real and personal property in this state is subject to property tax each year based on its value. Real property is land and the buildings, structures, or other improvements made to the land. The property tax is calculated by multiplying the assessed value of real property by the tax rate for each taxing district in which the property is located.

All real and personal property is subject to tax, unless a specific exemption is provided by law. Property owned by the United States, the state of Washington, counties, cities, and other local governments is exempted from property tax by the State Constitution, Article 7, sec. 1. This constitutional exemption is codified in statute under RCW 84.36.010.

Leasehold Excise Tax. The leasehold excise tax (LET) applies when persons or businesses use or lease publicly owned property. Because property tax is not levied on public property, leasehold excise tax is imposed in lieu of the property tax to ensure equity in taxation of all property. The rate of leasehold excise tax is 12.84 percent. In general, the tax is measured by the contract rent (the amount paid for the use of the public property). The Legislature has exempted a number of different types of leases from leasehold excise tax.

Military Housing Privatization Initiative. In 1996 the Military Housing Privatization Initiative (MHPI) was enacted by the U.S. Congress as a public/private program whereby private sector developers may own, operate, maintain, improve, and assume responsibility for military family housing. Under the MHPI, the Department of Defense can work with the private sector to provide military family housing with a variety of financial tools, including direct loans, loan guarantees, equity

investments, and conveyance or leasing of property or facilities.

Summary: Property and improvements belonging to the United States that are used for the housing of military personnel and their families, pursuant to the Military Housing Privatization Initiative of 1996, are exempt from the property tax and the LET. Initial application for qualification must be made to the Department of Revenue.

Votes on Final Passage:

Senate	49	0	
House	95	1	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 12, 2008

SB 6398

C 171 L 08

Regarding fines collected in truancy court actions.

By Senators Stevens and Hargrove.

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: Fifty percent of all fines imposed under the truancy petition provisions are to be applied to the support of the public schools in the school district where the offense was committed and the other 50 percent of all fines are to be paid to the county treasurer for the court's use in enforcing the truancy provisions.

Summary: The court is required to remit 50 percent of the fines collected under the truancy petition provisions to the child's school district.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008

SSB 6400

C 104 L 08

Establishing programs for the moral guidance of incarcerated persons.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Carrell).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: In 2007 the Legislature passed ESSB 6157 (C 483 L 07) and dedicated over \$30 million to programs designed to prepare offenders for reentry such as basic education, substance abuse treatment, and job training. In addition to traditional reform solutions, some states have begun implementing faith-based

models, as well as secular programs that emphasize moral development and character building.

In 2003 Florida opened a state-operated correctional institution dedicated exclusively to a faith- and character-based approach to rehabilitation. The Urban Institute (Institute) has conducted an outcome analysis of Florida's program. While the Institute concludes that the program appears to have a positive impact on recidivism, they acknowledge that enough time has not passed to provide adequate results for review and that a self-selection bias is inherent in the results.

The courts have also reviewed the constitutionality of these programs at some length, with the most recent decision coming from the 8th Circuit Court of Appeals. In order to meet constitutional requirements for the separation of church and state, courts have held that the program must meet three objectives:

- (1) The program must be faith-neutral. That is, the program should be geared to a wide variety of faiths and include secular programs as well.
- (2) Inmate participation must be entirely voluntary.
- (3) Direct government funding may not be used for religious activities and the program must have adequate safeguards against the diversion of public funds to religious activities.

The Department of Corrections (DOC) currently appoints chaplains for correctional institutions around the state. Institutional chaplains are responsible for conducting religious services, coordinating religious activities, and giving religious and moral instruction to inmates. In addition to institutional chaplains, DOC employs three Native American Program Specialists who attend to the spiritual needs of Native American inmates. DOC also utilizes contract chaplains on a part-time basis to minister to inmates of their own faiths/denominations.

When a lawsuit is brought against any state official, employee, volunteer, or foster parent arising from the good faith performance of the person's duties, the person may request the Attorney General (AG) to defend the action at the expense of the state. If the AG finds that the person was acting in good faith, the request must be granted. If the court finds that the person was acting within the scope of his or her official duties, any judgment against the person may only be collected against the state and not against the individual property of the person. Chaplains employed by contract with DOC do not qualify as a state official, employee, or volunteer and therefore may not request that the AG defend them in a lawsuit.

Summary: Moral and Character Building Residential Program. DOC must establish an oversight committee to develop an interagency plan to provide voluntary, non-denominational moral and character-building residential services and supports for offenders incarcerated in prison.

The plan must include:

- identification of existing state and community-based programs for building moral character;
- identification of methods to improve collaboration for existing programs;
- recommendations for new services or programs;
- identification of evidence-based practices and areas for research to support the long-term provision of moral and character building services and programs;
- a plan for offering both nondenominational and secular programming; and
- a system to prevent the diversion of public funds to religious activities.

Committee membership is prescribed. The committee must seek input from the public, including faith-based communities, state institutions for higher education, and the business community. The plan must be developed by June 30, 2010, with an interim report due to the appropriate committees of the Legislature by January 1, 2009.

DOC Chaplains. The Secretary of DOC must appoint institutional chaplains for its institutions. Where volunteers are not available, DOC may employ contract chaplains to meet the religious needs of inmates.

Institutional chaplains will act as religious program coordinators for all faith groups represented within the DOC. Institutional or contracted chaplains must have qualifications consistent with community standards of their given faith group and are not required to violate the tenets of their faith when acting in an ecclesiastical role.

Whether a chaplain serves by contract, employment, or is a volunteer, DOC may not compel a chaplain to provide personal liability insurance as a condition of employment and the chaplain may request the AG to authorize the defense of any proceeding for damages instituted against the chaplain.

Votes on Final Passage:

Senate	47	1	
House	95	1	(House amended)
Senate	44	0	(Senate concurred)

Effective: June 12, 2008

SSB 6404

C 261 L 08

Modifying the process for designating regional support networks.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove and Pridemore; by request of Department of Social and Health Services).

Senate Committee on Human Services & Corrections
House Committee on Health Care & Wellness

Background: The Department of Social and Health Services (DSHS), as the designated state mental health authority, contracts with Regional Support Networks (RSNs) to oversee the delivery of mental health services for adults and children who suffer from mental illness or severe emotional disturbance. RSNs contract with local providers to provide an array of mental health services, monitor the activities of local providers, and oversee the distribution of funds under the state managed care plan. An RSN must be a non-profit entity. In 2007 the Pierce County RSN voluntarily terminated its contract with DSHS, resulting in DSHS taking over the administration of mental health services in Pierce County on January 1, 2008.

Summary: The definition of "regional support network" is amended to permit an RSN to be a for-profit entity. In the event that an existing RSN notifies DSHS that it will no longer serve as an RSN, the Secretary of DSHS must utilize a procurement process in which entities recognized by the Secretary may bid to serve as the RSN. A scoring factor must be included for non-profit bidders which maximize the utilization of state resources and leverage other funds for the support of mental health services. An RSN which voluntarily terminates its contract is prohibited from participating in the procurement process, or from serving as an RSN for five years after a contract is signed with a new entity. An RSN selected through the procurement process is not required to contract for services with any county-owned or operated community mental health services and delivery facilities. Either party to the RSN contract must provide 180-days advance notice to DSHS of any issue which might cause it to voluntarily terminate the RSN contract, and 90-days advance written notice of intent to voluntarily terminate the RSN contract.

Votes on Final Passage:

Senate	42	6	
House	82	11	(House amended)
Senate			(Senate refused to concur)
House	89	6	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

SB 6421

C 245 L 08

Providing medical coverage for smoking cessation programs.

By Senators Pridemore, Keiser, McDermott, Hatfield, Kohl-Welles and Pflug.

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: A recent study indicates the nation's Medicaid program could experience significant savings if the program included an effective smoking prevention and cessation program. Smoking remains the country's leading preventable cause of death. New data released by the U.S. Centers for Disease Control and Prevention (CDC) showed that smoking rates are no longer on the decline, and 45.3 million adults reported smoking in 2006. The CDC estimates that 20.8 percent of the adults in the U.S. smoked in 2006, and of these adults, 80.1 percent smoked every day.

The Washington State Medical Assistance Program provides a smoking cessation benefit for pregnant women to improve birth outcomes. The smoking cessation benefit includes access to counseling, over-the-counter nicotine replacement therapy, and prescription drugs.

Summary: The Department of Social and Health Services (department) must provide a smoking cessation benefit for the medical assistance program that includes smoking cessation counseling services, as well as prescription and nonprescription products. The department may initiate individualized review and develop rules for appropriate coverage limitations as required to encourage the use of effective, evidence-based services and products. The department must track per-capita expenditures for a cohort of clients that receive smoking cessation benefits, and submit a cost-benefit analysis to the Legislature by January 1, 2012.

Votes on Final Passage:

Senate	49	0	
House	67	29	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

SSB 6423

C 85 L 08

Strengthening the tax credit and modifying the governing board of a Washington motion picture competitiveness program.

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Hewitt, Kohl-Welles and McAuliffe).

Senate Committee on Labor, Commerce, Research & Development

Senate Committee on Ways & Means

House Committee on Finance

Background: In 2006 the Legislature authorized the establishment of a Washington motion picture competitiveness program (MPCP) to revitalize the state's economic, cultural, and educational standing in the motion picture production industry. An MPCP is a non-profit entity administered by a board of directors appointed by the Governor and consisting of representatives of the film industry, labor unions, visitors and convention bureaus, the tourism industry, and the restaurant hotel and airline industry.

An MPCP provides up to 20 percent of the in-state cost of, or investment in, certain film production projects that meet film industry revitalization criteria set by the Department of Community, Trade and Economic Development. A contributor of cash of up to \$1 million to an MPCP qualifies, dollar for dollar, for a business and occupation (B&O) tax credit until 2008. After 2008, the amount of the credit is reduced to 90 percent of the amount contributed. A credit may be claimed in the current year or carried over for up to three succeeding years. No more than \$3.5 million in credits may be granted, state-wide, in any one year. The B&O tax credit expires July 1, 2011.

Summary: Beginning in 2010, the terms of the board members are modified to provide for staggered four-year terms. An MPCP may award a single motion picture production or episodic television project an amount greater than \$1 million. The provision that reduces the B&O tax credit to 90 percent of the amount contributed is removed, keeping the maximum credit that may be earned for a calendar year at the lesser of \$1 million or 100 percent of the amount contributed.

Votes on Final Passage:

Senate	47	0
House	93	0

Effective: June 12, 2008

SSB 6426

C 189 L 08

Creating a task force to review and make recommendations regarding the Interstate Compact on Educational Opportunity for Military Children.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Hobbs, Shin, Swecker, Rasmussen, Fairley, Berkey, Rockefeller, Eide, Schoesler, Fraser, Kauffman, Kohl-Welles and McAuliffe).

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: An interstate compact is a voluntary agreement between states usually enacted into law in the participating states upon federal congressional approval. In general, participating states enter into compact agreements to collectively address issues of concern to the individual states. For example, the member states of the interstate library compact list their policy and purpose statement as a desire to cooperate and share responsibilities and those types of library facilities and services which can be more economically or efficiently developed and maintained on a cooperative basis. Washington is a member of several such agreements to include the interstate compact on the placement of children, the interstate agreement on qualifications of educational personnel, and the interstate library compact, to name a few.

The Interstate Compact on Educational Opportunity for Military Children (the Compact) was developed by the Council of State Governments (CSG), the U.S. Department of Defense Office of Personnel and Readiness, along with representatives from several states and national education organizations. Washington did not participate in developing the Compact.

Washington is one of several states in which a measure has been introduced to adopt the Military Children Compact.

Summary: The Office of the Superintendent of Public Instruction must convene and support a task force to review and make recommendations regarding the Interstate Compact on Educational Opportunity for Military Children. The task force must include four legislative members. The task force must review the Compact and issue a final report of findings and conclusions, including recommendations for legislative action if any, to the appropriate committees of the Legislature by December 1, 2008.

The final report must consider:

- which components of the Compact are currently being substantially implemented in Washington and which are not;
- the implications of and the interplay between the Compact and applicable federal education law and applicable state education law; and

- the legal obligations that enacting the Compact would impose on the state if adopted.

The task force must also address any provisions within the Compact that raise concerns of the task force members and must make recommendations on how to address those concerns within the final report.

Votes on Final Passage:

Senate	49	0	
House	93	1	(House amended)
Senate			(Senate refused to concur)
House			(House insisted on position)
Senate	34	15	(Senate concurred)

Effective: June 12, 2008

ESSB 6437

C 105 L 08

Modifying provisions relating to bail bond and bail bond recovery agents.

By Senate Committee on Judiciary (originally sponsored by Senators Carrell, Hargrove and Kline; by request of Department of Licensing).

Senate Committee on Judiciary
House Committee on Commerce & Labor

Background: Licensure became mandatory for bail bond agents and agencies in 1993 and bail bond recovery agents became subject to licensure in 2006. A bail bond agent is defined as a person who is employed by a bail bond agency and engages in the sale or issuance of bail bonds. A bail bond recovery agent is a person who is under contract with a bail bond agent to receive compensation, reward, or any other form of lawful consideration for locating, apprehending, and surrendering a fugitive criminal defendant for whom a bail bond was posted.

A number of incidents have occurred recently in which bail bond recovery agents have mistakenly entered the wrong homes and apprehended innocent people. In addition, there are documented cases of licensed bail bond recovery agents being arrested for kidnapping, impersonation of a law enforcement officer, harassment, and burglary. Proponents of this bill believe it will increase public safety.

Summary: Before adopting or amending the prelicensing training or continuing education requirements for bail bond agents, the Director of the Department of Licensing (Director), or the Director's designee, must consult with representatives of the bail bond industry and associations. Employment for at least 18 consecutive months as a bail bond agent or submitting proof of having previously met training required prior to 1994 does not fulfill prelicensing training requirements. The rules adopted by the Director establishing prelicense training and testing requirements for bail bond recovery agents

must include no less than 32 hours of field operations classes.

A bail bond recovery agent is required to notify the Director within ten business days after a forced entry for the apprehension of a fugitive criminal defendant, whether the forced entry is planned or not. Before a bail bond recovery agent may apprehend a person subject to a bail bond in a planned forced entry, the agent must have reasonable cause to believe the defendant is inside the dwelling or other structure. During the actual planned forced entry, the bail bond recovery agent must display a badge with the words "BAIL ENFORCEMENT" or "BAIL ENFORCEMENT AGENT."

Performing the functions of a bail bond recovery agent without exercising due care to protect the property and safety of persons other than the defendant constitutes unprofessional conduct. It is also unprofessional conduct for a bail bond recovery agent to use a dog in the apprehension of a fugitive criminal defendant.

An applicant for a bail bond recovery agent license must not have had certification as a peace officer revoked or denied, unless certification has subsequently been reinstated. The applicant must also have a current license or equivalent permit to carry a concealed pistol.

Any law enforcement officer who assists in or is in attendance during a planned forced entry is immune from civil action for damages arising out of the actions of the bail bond recovery agent or agents.

The Department of Licensing is directed to convene a work group to evaluate whether bail bond agents and bail recovery agents should provide proof of financial responsibility to obtain a license.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008

E2SSB 6438

C 262 L 08

Regarding high-speed internet services and community technology opportunities.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Rockefeller, Oemig, Honeyford, Murray, Delvin and Pridemore).

Senate Committee on Water, Energy & Telecommunications
Senate Committee on Ways & Means
House Committee on Technology, Energy & Communications
House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: "Broadband" and "broadband internet access" refer to the high-speed transmission of electronic information. The Federal Communications Commission defines "high-speed" as transmission in excess of 200 kilobits per second in at least one direction. The Organization for Economic Cooperation and Development (OECD) uses a figure of 256 kilobits per second. Several different technologies are used to provide broadband internet access, including: DSL, cable modem, satellite, remote DSL, broadband over power lines, wireless internet service providers, and Wi-Fi networks. Broadband internet access is typically contrasted with dial-up internet access (occurring over a modem) that is generally capable of up to 56 kilobits per second.

Broadband is increasingly seen as a key tool for education (distance learning), healthcare (telemedicine), service-delivery (on-line buying, selling, banking, account management, etc.), entertainment (music, games, and movies), and government (information and education, reporting and filing, communication). Broadband is also looked to as a key tool for economic vitality. The OECD regards broadband internet access as an important economic indicator. In their June 2007 rankings, the OECD placed the U.S. at 15th with 22.1 internet subscribers per 100 inhabitants, while Denmark, Netherlands, Switzerland, Korea, Norway, and Iceland all had access rates in excess of 29 subscribers per 100 inhabitants.

According to a 2006 survey by the U.S. Government Accountability Office, households in rural areas are less likely to subscribe to broadband service than households in urban and suburban areas. The Pew Internet and American Life Project recently found that 24 percent of rural households had high-speed internet connections compared with 39 percent of urban and suburban households. Non-internet users as a group were additionally found to be of a disproportionate age (median age 59) and below the poverty level (25 percent had yearly household incomes under \$20,000).

The OECD identified the following factors for assessing broadband markets: penetration, usage, coverage, prices, and services and speeds. Several states have recently established state-level broadband task forces, commissions, or authorities to evaluate such factors and provide a point for coordination, and leadership (e.g., CA, HI, KY, TN, MD, MO, NE, NY, VT, and VA).

In 2007 the Legislature appropriated \$160,000 to the Washington Utilities and Transportation Commission (UTC) to conduct a survey to "identify factors preventing the widespread availability and use of broadband technologies." The UTC was additionally directed to identify broadband disparities in the state and report its findings to the Legislature by December 31, 2007.

Summary: By July 15, 2008, or upon completion of UTC's report, the Department of Information Services (DIS) is to convene a work group in coordination with the Department of Community, Trade and Economic

Development, and the UTC to develop a high-speed internet deployment and adoption strategy for the state.

By December 2008 DIS is required to report to the Legislature on the options identified for implementing a statewide high-speed internet deployment and adoption strategy to:

- develop geographic information system maps and inventories of public and private high-speed internet infrastructure;
- address management of proprietary and competitively sensitive data;
- spur development of high-speed internet resources across the state;
- track residential and business adoption of high-speed internet; and
- use local technology planning teams to help with internet deployment to disenfranchised or unserved areas.

DIS or any other governmental entity is prohibited from gathering or requesting proprietary or competitively sensitive information from telecommunications or internet service providers pursuant to the statewide high-speed internet deployment and adoption effort.

DIS is required to publish a web directory of public facilities that provide community technology programs throughout the state.

The Washington State University Extension is required to administer a Community Technology Opportunity Program and Opportunity Account to provide training and assistance for low-income and under-served residents on use of information and communication technologies.

A null and void clause is added and DIS is required to include high-speed internet deployment in its 2009-11 strategic plan if the act becomes null and void.

Votes on Final Passage:

Senate	49	0	
House	93	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 12, 2008

SSB 6439

C 246 L 08

Concerning radiologist assistants.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Spanel and Berkey).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Radiology assistants are not regulated in Washington State. Currently, three categories of professionals working in the field of radiologic technology are certified: diagnostic, therapeutic, and nuclear medicine radiologic technologists. Radiology assistants have become valuable in a rapidly growing field. They perform many time-consuming but simple radiology-related procedures.

In 2004 legislation to credential radiology assistants was referred to the Department of Health (DOH) for a sunrise review. Credentialing was proposed because of a workforce shortage in the profession of radiology and concerns about training, supervision, and scope of practice for these practitioners. The sunrise review recommended certifying radiology assistants.

Summary: Certification is provided for radiology assistants described as an advanced level diagnostic radiologic technologist. Diagnostic procedures are described and permission granted to perform additional procedures under the direction and supervision of a radiologist. Education requirements are described including completion of a preceptorship and examination. The examination process is outlined.

The Secretary of DOH has authority to recognize other organizations for establishing standards for radiologist assistant programs.

Votes on Final Passage:

Senate	42	6	
House	94	1	(House amended)
Senate	42	5	(Senate concurred)

Effective: June 12, 2008

ESSB 6442
C 313 L 08

Modifying provisions relating to the office of public defense.

By Senate Committee on Judiciary (originally sponsored by Senators Regala, Stevens, Kline, Zarelli, Tom, Parlette, Hargrove, Swecker, Fraser, Pridemore, McDermott and Kohl-Welles).

Senate Committee on Judiciary
House Committee on Judiciary
House Committee on Appropriations

Background: The Office of Public Defense (OPD) was legislatively created in 1996 to implement the constitutional guarantee of counsel and to ensure the effective and efficient delivery of the indigent appellate services funded by the state of Washington. The Legislature has gradually increased the duties of OPD to include representation of parents at dependency and termination proceedings, improvement of public defense at the trial level, and training. In total, OPD has duties in the following six areas: (1) contracting for state funded

appellate indigent defense in 39 counties; (2) representation of parents in dependency and termination of parental rights proceedings in 25 of the 39 counties; (3) continuing education and training for public defenders; (4) compiling and prioritizing counties' extraordinary criminal justice costs; (5) consultation with counties to improve their indigent defense; and (6) operating a grant program that assists counties and cities with meeting standards or improving indigent defense outcomes. The staff at OPD do not represent clients in court. People are represented by attorneys who contract with OPD and the contract attorneys are managed and supervised by OPD.

In accordance with the Washington Sunset Act, the OPD is scheduled to terminate on June 30, 2008. Washington law requires the Joint Legislative Audit and Review Committee to conduct a program and fiscal review of any entity scheduled for termination under the Washington Sunset Act. The Office of Public Defense Sunset Review Report was approved for distribution on January 9, 2008.

Summary: The Director of OPD is required to administer all state-funded services in the program areas of trial court criminal indigent defense, appellate indigent defense, representation of indigent parents in dependency and termination cases, extraordinary criminal justice cost petitions, and compilation of copies of DNA test requests by persons convicted of felonies. In addition, the Director must submit a biennial budget for all costs related to these program areas. An annual report on indigent defense services is required to be submitted by the Director to the OPD advisory committee, the Legislature, and the Supreme Court.

The OPD advisory committee is expanded to include the following persons: one person appointed by the Washington State Association of Counties; and one person appointed by the Association of Washington Cities. No person appointed to the advisory committee may provide indigent defense services funded by a city, county, or the state, except on a pro bono basis, during that person's term of appointment. No person may serve as a judge, except on a pro bono basis, or a court employee, during that person's term of appointment. The duties of the advisory committee are specified.

The provision that would sunset OPD effective July 1, 2008 is repealed.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

SB 6447

C 71 L 08

Allowing unpaid leaves of absence for military personnel needs.

By Senators Hobbs, Jacobsen, Shin and Rasmussen.

Senate Committee on Government Operations & Elections

House Committee on Commerce & Labor

Background: All U.S. service members (service members), Active or Reserve, and Department of Defense (DoD) civilian employees assigned to a 12-month tour of duty to one of 17 contingency countries in support of Operation Enduring Freedom or Operation Iraqi Freedom are eligible for the Rest and Recuperation (R&R) program. The R&R program entitles all service members and DoD civilians to 15 days of leave during their deployment. Service members and DoD civilians who are deployed to one of the 17 contingency locations for 15 months are entitled to 18 days of leave.

Summary: The Family Military Leave Act (Act) is established and enforced as provided in the state Family Leave Law. During a period of military conflict an employer must allow an employee who is married to a military member of the U.S. Armed Forces, National Guard, or Reserves to take up to 15 days unpaid leave: while their military spouse is on leave from a deployment; or before and up to deployment once the spouse receives official notification of an impending call or order to active duty. An employee must provide his or her employer with notice of the employee's intention to take leave within five business days of receiving official notice: that the employee's spouse will be on leave; or of an impending call or order to active duty. The 15 days of unpaid leave is per deployment. An employee may elect to substitute accrued leave for any part of the family military leave. An employee who takes leave under the Act is entitled to be restored to a position of employment and receive the same benefits an employee receives under the Family Leave Law. An employer may not engage in prohibited acts specified in the Family Leave Law.

An employee is defined as a person who provides a service for hire for an average of 20 or more hours weekly – excludes an independent contractor. An employer is defined as: a person, firm, corporation, partnership, or other business entity; the state, a state institution, and state agency; and any unit of local government. A period of military conflict is defined as a declared period of war.

The number of days a state or local officer or employee who is also a member of the Washington National Guard or Reserves is entitled for military leave of absence from employment is extended from 15 to 21 days each year.

Votes on Final Passage:

Senate	47	0	
House	92	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

SSB 6457

C 136 L 08

Modifying disclosure provisions under the adverse health events and incident reporting system.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser and Kohl-Welles; by request of Governor Gregoire).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Adverse health events are required to be reported by medical facilities to the Department of Health (DOH) as the result of legislation passed in 2006. The Legislature's intent was to establish an adverse health events and incident reporting system designed to facilitate quality improvement in the health care system, improve patient safety, and decrease medical errors in a nonpunitive manner.

Adverse health events are those serious reportable events listed by the National Quality Forum. They include for example, events like: performing surgery on the wrong body part, leaving a foreign object in a patient after surgery, or abduction of a patient.

An incident is defined as an event which results in unanticipated injury to a patient in a medical facility, that is not related to the natural course of the patient's illness or underlying condition and does not constitute an adverse event. An incident can also be an event which could have injured the patient but did not or did not require additional health care services to the patient.

The adverse health events and incident reporting system includes initial notification of the adverse event to the DOH as well as a root cause analysis of the event and a corrective action plan. Provision is made for the DOH to communicate with the Washington state quality forum about adverse events and incidents without identifying individual medical facilities. Notification of adverse events and notification of incidents causing serious injury are currently exempt from public disclosure.

Summary: The contracted independent entity that is responsible for the annual activities report to the Governor and Legislature will report the number of adverse events and incidents in the aggregate, along with a summary of actions taken by facilities, and best practices to promote patient safety.

The adverse event notification or report can be amended within 60 days of submission.

A report of an adverse event or notification of an incident through a quality improvement or peer review committee is exempt from public disclosure under the Public Records Act. A notification of an adverse event is not exempt from public disclosure under the Public Records Act and must include context information if the medical facility chooses to provide it.

Votes on Final Passage:

Senate	47	0
House	93	0

Effective: June 12, 2008
July 1, 2009 (Section 5)

SB 6464
C 13 L 08

Addressing judicial district population estimates.

By Senator Fairley; by request of Office of Financial Management.

Senate Committee on Government Operations & Elections

House Committee on Judiciary

Background: District court population estimates were previously used to determine the number of Judges per District Court, and to determine the salaries of part-time judges. Currently, the Supreme Court determines the number of District Court judges. The Washington Citizens' Commission of Salaries sets part-time judges' salaries.

Population is defined as the latest population of the judicial district of each county as estimated and certified by the Office of Financial Management (OFM). Currently, OFM is required to estimate and certify to the county legislative authority the population of each judicial district of each county.

Summary: The requirement that OFM estimate and certify to the county legislative authority the population of each judicial district is removed.

Votes on Final Passage:

Senate	48	0
House	95	0

Effective: June 12, 2008

SB 6465
C 35 L 08

Allowing active duty military personnel to purchase a temporary fishing license at the resident rate.

By Senators Roach, Benton, Rasmussen, Hargrove, King, Hobbs, Hatfield, Delvin, McCaslin, Kilmer, Rockefeller and Carrell.

Senate Committee on Natural Resources, Ocean & Recreation

House Committee on Agriculture & Natural Resources

Background: A person 15 years of age or older must purchase a fishing license from the Department of Fish and Wildlife (DFW) prior to fishing in saltwater or freshwater, unless fishing for albacore tuna, carp, crayfish, and smelt. The temporary combination license allows the holder to fish for fish, shellfish, and seaweed from both saltwater and freshwater for one to five consecutive days.

For one day, the fee is \$7 for residents and \$14 for nonresidents. The fee for two days is \$10 for residents and \$20 for nonresidents. For three days, the fee is \$13 for residents and \$26 for nonresidents. The fee for four days is \$15 for residents and \$30 for nonresidents. For five days, the fee is \$17 for residents and \$34 for nonresidents.

Summary: Active duty military personnel serving in any branch of the United States Armed Forces may purchase a temporary combination fishing license at the resident rate.

Votes on Final Passage:

Senate	47	0
House	95	0

Effective: June 12, 2008

2SSB 6468
C 314 L 08

Concerning the taxation of honey beekeepers.

By Senate Committee on Ways & Means (originally sponsored by Senators King, Rasmussen, Roach, Hobbs, Honeyford, Hewitt and Sheldon).

Senate Committee on Agriculture & Rural Economic Development

Senate Committee on Ways & Means

House Committee on Finance

Background: Farmers who sell agricultural products at wholesale are exempt from the business and occupation (B&O) tax. Agricultural products include any product of plant cultivation or animal husbandry including a product of horticulture, grain cultivating, vermiculture (worms), viticulture (grapes), or privately cultured

aquatic products, or a bird, or insect, or the substances obtained from such an animal.

A farmer is defined as a person engaged in the business of growing, raising, or producing, upon the farmer's own land or land which a person has a present right of possession (rented land). Hives are often rented to provide pollination service for crops on lands owned or rented by others.

Businesses with activities subject to the B&O tax but generate less than \$12,000 per year in gross income are not required to register with the Department of Revenue. Honey and bee products produced on an apiarist's own farm is not subject to the B&O tax. However, income from the sale of honey, pollination services and bee products produced off the apiarist's own farm that exceeds the \$12,000 annual threshold is required to be reported to the Department of Revenue and is subject to the B&O tax.

Summary: Beekeepers are exempt from the following taxes:

- the B&O tax on the wholesale sale of honey and honey bee products;
- the B&O tax on bee pollination services; and
- the sales and use tax on the sale of pollinating bees.

To qualify for these tax exemptions, beekeepers must be registered with the Department of Agriculture. These tax exemptions expire on July 1, 2013.

Votes on Final Passage:

Senate	46	2	
House	93	0	(House amended)
Senate	46	2	(Senate concurred)

Effective: July 1, 2008

SB 6471
C 78 L 08

Protecting consumers by regulating loans under the consumer loan act and mortgage broker practices act.

By Senators Weinstein, Kauffman, Tom, Fairley, McAuliffe, Kohl-Welles, Keiser and Kline.

Senate Committee on Consumer Protection & Housing
House Committee on Insurance, Financial Services & Consumer Protection
House Committee on Appropriations

Background: Companies that lend money in excess of 12 percent must be licensed under the Consumer Loan Act (CLA) and are regulated by the Department of Financial Institutions (DFI). These companies primarily make mortgage loans but may also make other loans, such as furniture or car loans. Three hundred and five companies are currently licensed under the CLA.

If a company offers mortgage loans to Washington residents, but does not offer loans in excess of 12 percent, the company must either be licensed under the

Mortgage Broker Practices Act (MBPA) regulated by DFI, or be exempt from the MBPA.

A common exemption from the MBPA includes companies offering mortgage loans approved by Fannie Mae or Freddie Mac. If the lender agrees to parameters set by Fannie Mae or Freddie Mac, Fannie Mae or Freddie Mac agree to buy that loan. Neither Fannie Mae nor Freddie Mac regulate or otherwise audit these loans that are exempt from the MBPA.

One thousand three hundred and eighty mortgage broker licenses and 6,337 loan originator licenses are currently under the MBPA, with approximately 300 businesses exempt.

Summary: The Consumer Loan Act (CLA) is amended to eliminate the 12 percent interest threshold. Mortgage lenders currently exempt from the MBPA are required to be licensed under the CLA. Retail installment contracts are exempt from the CLA.

Votes on Final Passage:

Senate	47	0
House	93	0

Effective: June 12, 2008

2SSB 6483
C 215 L 08

Enacting the local farms-healthy kids act.

By Senate Committee on Ways & Means (originally sponsored by Senators Hatfield, Honeyford, Rasmussen, Haugen, Swecker, Tom, Morton, Rockefeller, Fraser, Hargrove, Keiser, Kohl-Welles, Brandland, Kilmer, Shin, McDermott, Kauffman, Murray, Hobbs, Kastama, Fairley, Pridemore, Regala, McAuliffe, Jacobsen, Kline, Brown, Franklin, Hewitt, Spanel, Parlette, Oemig and Roach).

Senate Committee on Agriculture & Rural Economic Development
Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on Appropriations

Background: The 2002 Federal farm bill created a pilot Fresh Fruit and Vegetable Program, implemented by the U.S. Department of Agriculture (USDA), to provide free fresh fruit and vegetable snacks to students. Participating schools use federal funds to purchase their choice of snacks.

"Farm-to-School" programs encouraging consumption of fresh, locally-grown food at public schools and other institutions have been enacted or proposed in several states.

Within statutory parameters, the state Department of General Administration (GA) sets policies for purchasing by state agencies and institutions of higher education. These policies generally require purchasers to use

competitive bidding procedures for major purchases. School districts must use competitive contracting procedures for purchases over \$40,000.

Summary: The Local Farms-Healthy Kids Act (Act), intended to strengthen links between state agriculture and state food procurement to expand local markets, improve nutrition, and benefit the environment, is enacted. References to "Washington grown" food mean food grown and packed or processed in Washington. The Act creates four programs:

- a Farm-to-School Program administered by the state Department of Agriculture (WSDA);
- a Washington Grown Fresh Fruit and Vegetable Grant Program administered by the Office of the Superintendent of Public Instruction (OSPI);
- a Farmers Market Technology Improvement Pilot Program administered by the Department of Social and Health Services (DSHS); and
- a Farmers to Food Banks Pilot Program administered by the Department of Community, Trade and Economic Development (CTED).

Farm-to-School Program. A Farm-to-School Program is created in WSDA to facilitate increased procurement of Washington grown foods by schools. The program will, in order of priority:

- identify and develop policies and procedures, including proposed uniform procurement procedures, to implement and evaluate the program;
- assist food producers, distributors, and brokers to market Washington grown food to schools by informing them of opportunities and requirements;
- assist schools in connecting with local producers by informing them of sources, availability and benefits of Washington grown foods;
- identify and recommend ways to increase predictability of sales and adequacy of supply;
- identify and make available curricula, programs, and publications educating students on the benefits of preparing and consuming locally-grown food;
- support efforts to advance other farm-to-school connections such as school gardens or farms, and farm visits; and
- seek additional funds to leverage state expenditures.

WSDA must, cooperating with OSPI, collect data on program activities and report biennially to the Legislature beginning in November 2009.

Washington Grown Fresh Fruit and Vegetable Grant Program. A Washington Grown Fresh Fruit and Vegetable Grant Program (WG FFVGP) is created in OSPI to facilitate consumption of Washington grown nutritious snacks to improve student health and expand the market for locally-grown fresh produce. "Fresh fruit and vegetables" includes perishable produce that is unprocessed, minimally processed, frozen, dried, or otherwise prepared, stored, and handled to maintain its fresh nature while providing convenience to the user. Producing

"minimally processed" food involves cleaning, washing, cutting, or portioning.

The WG FFVGP will increase the number of school children with access to Washington grown fresh fruits and vegetables and be modeled after the USDA's Fresh Fruit and Vegetable Program. Schools receiving funds under the USDA program are not eligible for WG FFVGP grants.

Subject to specific appropriation, OSPI will solicit applications, conduct a competitive process, and make one or two-year grants to urban and rural schools enabling them to provide free Washington grown fresh fruits and vegetables throughout the school day. When evaluating applications and selecting grantees, OSPI must consider an applicant's plans for: ensuring use of Washington grown fruits and vegetables; incorporating nutrition, agricultural stewardship education, and environmental education into the snack program; and establishing partnerships to further WG FFVGP objectives.

OSPI must give funding priority to applicant schools with grades K-8 that participate in the National School Lunch Program and have 50 percent or more students eligible for free or reduced price meals under the National School Lunch Act. OSPI may award grants to other applicants if any funds remain after all eligible priority applicants have been awarded grants. OSPI may adopt rules to carry out the WG FFVGP and will develop and track outcome measures.

Farmers Market Technology Improvement Pilot Program. Subject to specific funding, a Farmers Market Technology Improvement Pilot Program is created in DSHS to assist farmers markets to develop the capability to accept wireless electronic payment cards. The program is intended to increase access to fresh fruits, vegetables, and quality meat and dairy for state residents and to increase the number of food stamp recipients using food stamp benefits through electronic benefits transfer at farmers markets.

DSHS must work with farmers markets and appropriate associations to ensure that the program serves a balance of rural and urban farmers markets. DSHS must biennially submit electronic benefits transfer data to the Legislature beginning in November 2009. The program expires July 1, 2010.

Farmers to Food Banks Pilot Program. Subject to specific funding, a Farmers to Food Banks Pilot Program is created in CTED. Funds will be used for food bank systems to contract with local farmers to provide fruit, vegetables, dairy, and meat products for distribution to low-income people at local food banks.

In implementing the program, CTED must conduct a request for proposals to select pilot communities. Any nonprofit entity qualifying for federal tax exemption that delivers social services may submit a proposal. Up to five pilot communities will be selected, including one in an ethnically diverse urban area negatively impacted by

a mass transit infrastructure program and located in a city with over 500,000 residents (i.e., Seattle), at least one east of the Cascades, and at least one in a rural county with fewer than 100 persons per square mile.

CTED will collect data on program activities and report biennially to the Legislature beginning in November 2009. The program expires July 1, 2010.

State Procurement Standards. GA must, to the maximum extent practicable and consistent with international trade commitments, develop food procurement procedures and materials encouraging and facilitating purchase of Washington grown food products by state agencies and institutions, and develop policies requiring all food contracts to include a plan to maximize availability of Washington grown food purchased through contract.

Formal competitive bidding is not required for off-contract purchases of Washington grown food when this food is not available from Washington sources through an existing contract. However, the food must be of an equivalent or better quality than similar food available through the contract and able to be purchased from the agency's existing budget. This requirement applies to purchases and contracts for purchases by GA and other state agencies, including institutions of higher education, under delegated authority.

School Districts. Purchases of Washington grown food by school districts are exempted from certain competitive contracting requirements. A school board may develop and implement policies and procedures to facilitate and maximize purchases of Washington grown food, including permitting a percentage price preference, defined as the percent by which a responsive bid from a responsible bidder selling Washington grown food exceeds the lowest responsive bid submitted by a responsible bidder selling non-Washington grown food.

School districts may operate school gardens or farms to grow fruit and vegetables for educational purposes and to be offered to students through meal and snack programs. Foods used in meal and snack programs must meet safety standards. If a school operates a school garden or farm, students representing organizations such as the Future Farmers of America and 4-H must have opportunity for involvement. When school gardens or farms are used to educate students about agriculture, students must have opportunity to learn about both organic and conventional methods.

Department of Health (DOH) Rulemaking. DOH must adopt rules authorizing retail operations owned and operated by farmers and located on farms to participate in the WIC Farmers Market Nutrition Program, to provide locally-grown, nutritious, unprepared fruits and vegetables to eligible participants. Rules must meet federal requirements for grants and cooperative agreements to state and local governments.

Conflict With Federal Requirements. If any part of the Act is found to conflict with federal funding requirements, the conflicting part is inoperative to the extent of the conflict and agencies directly affected, but not to the remainder of the Act in its application to agencies concerned. Rules adopted under the Act must meet federal requirements necessary for receiving federal funds.

Votes on Final Passage:

Senate	48	0	
House	93	1	(House amended)
Senate	44	0	(Senate concurred)

Effective: June 12, 2008

SSB 6500

C 36 L 08

Authorizing leave sharing for victims of domestic violence, sexual assault, and stalking.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Eide, Kohl-Welles, Stevens, Shin, Rasmussen, Kline, Spanel, Holmquist and Haugen; by request of Attorney General).

Senate Committee on Labor, Commerce, Research & Development

House Committee on State Government & Tribal Affairs

Background: In 1989 the Legislature enacted the Washington State Leave Sharing Program (Program) for state employees. The stated purpose of the Program is to permit state employees to donate annual leave, sick leave, or personal holidays to fellow state employees who are suffering from, or have relatives or household members who are suffering from, an extraordinary or severe illness, injury, impairment, or physical or mental condition that has caused or is likely to cause the employee to take leave without pay or terminate his or her employment. An employee may also receive shared leave if the employee has been called to service in the uniformed services, or a state emergency has been declared anywhere within the United States by the federal or any state government that has caused or is likely to cause the employee to take leave without pay or terminate his or her employment. As long as a certain balance is maintained, an employee may transfer annual leave, sick leave, or all of his or her personal holiday to an employee in the Program.

If an employee qualifies to participate in the Program, the agency head determines the amount of leave, not to exceed 261 days, that the employee may receive. The agency head also determines when the leave is no longer needed or will not be needed at a future time in connection with the illness or injury for which it was granted.

Summary: An agency head may permit an employee to receive leave under the Program if the employee is a victim of domestic violence, sexual assault, or stalking.

Votes on Final Passage:

Senate	48	0
House	95	0

Effective: October 1, 2008

SB 6504

C 37 L 08

Exempting certain minor new construction associated with construction storm water general permits from SEPA.

By Senators Hatfield, Swecker, Delvin, Regala, Schoesler, Morton, Pridemore and Rasmussen; by request of Department of Ecology.

Senate Committee on Water, Energy & Telecommunications

House Committee on Ecology & Parks

Background: Construction projects must comply with the requirements of the State Environmental Policy Act (SEPA) when they are issued a waste discharge permit by the Department of Ecology (Ecology). This requirement applies to construction projects that disturb one or more acres of land and are covered by an Ecology construction stormwater discharge permit. Until 2005 construction projects that disturbed less than five acres of land did not require a construction stormwater permit from Ecology, nor were they required to comply with the requirements of SEPA. When Ecology adopted new construction stormwater permit requirements in 2005 to meet more stringent federal stormwater requirements, the exemption from SEPA for construction projects that disturbed less than five acres of land was not retained.

Summary: Construction projects that disturb less than five acres of land and require an Ecology construction stormwater discharge permit are exempt from SEPA. The exemption does not apply if Ecology determines by rule that instances warranting SEPA review exist.

Votes on Final Passage:

Senate	48	0
House	94	0

Effective: June 12, 2008

SSB 6510

C 315 L 08

Providing a funding source to assist small manufacturers in obtaining innovation and modernization extension services.

By Senate Committee on Ways & Means (originally sponsored by Senators Kastama, King, Shin and Rasmussen).

Senate Committee on Economic Development, Trade & Management

Senate Committee on Ways & Means

House Committee on Community & Economic Development & Trade

House Committee on Appropriations

Background: Manufacturing represents 14 percent of all employment in Washington, 16 percent of wages, and 17 percent of the state's business and occupation (B&O) tax revenue, contributing about \$27 billion to Washington's gross state product. Almost half of the manufacturers in the state have fewer than 250 employees. The competitiveness of larger manufacturers often depends on smaller manufacturers, which generate more than half of all innovations in the economy and account for more than half of the net job creation annually.

In 2006 Washington Manufacturing Services (WMS) was created in statute as a private, nonprofit corporation to operate a modernization extension system, coordinate modernization resources, and stimulate the competitiveness of small and midsize manufacturers. WMS is affiliated with the federal National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership. WMS may charge fees for services and receive funds from private and public sources. Federal funding for the program is contingent on the receipt of state matching funds and private funds.

Summary: The Washington Manufacturing Innovation and Modernization Extension Service program (the program) is created and will be administered by the Department of Community, Trade and Economic Development (CTED). CTED administrative expenses for the program are limited to 3 percent of available funds.

Under the program, small manufacturers, industry associations, or cluster associations may receive vouchers of up to \$200,000 per year to cover the costs of manufacturing extension services. Such services are to be provided by a qualified manufacturing extension partnership affiliate such as WMS. The costs of the manufacturing extension services must be repaid.

The manufacturing innovation and modernization account is created. Its funds come from payments made by participants in the program and monies solicited by the Director of CTED. Funds are disbursed to qualified manufacturing extension partnership affiliates to cover the costs of extension services. Funds received by an

affiliate qualify as the state match required by the NIST Manufacturing Extension Partnership.

A legislative finding states that most small and mid-size manufacturers do not have the resources that will allow them to easily access modernization technical assistance and the skills training needed to make them globally competitive. The legislative finding also states that the intent of the Legislature is to: (1) create a new mechanism in a manner that reduces the up-front costs of these services for small and midsize manufacturing firms; and (2) increase state support for the manufacturing extension program, expand the delivery of modernization services to small and midsize Washington manufacturers, and leverage federal funding and private resources devoted to such efforts.

The act is terminated June 30, 2012.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

SSB 6527
C 316 L 08

Addressing the failure to transfer motor vehicle title and registration.

By Senate Committee on Judiciary (originally sponsored by Senators Kastama and Kline).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: A person who purchases a motor vehicle must apply to transfer vehicle ownership and license registration within 15 days following delivery of the vehicle. If the person does not do so, that person will be assessed \$25 for the 16th day, and \$2 each day thereafter, not to exceed \$100. Failure to apply for a transfer of ownership and license registration within 45 days after delivery of the vehicle is a misdemeanor.

In the 2004 case, *State v. Green*, the Washington Supreme Court considered a situation in which police stopped and arrested the defendant for failing to apply for a transfer in vehicle ownership within 45 days. During a search incident to arrest, the police found a small quantity of cocaine in the defendant's purse. The defendant moved to suppress the evidence of drug possession, claiming that the police could not arrest her for a misdemeanor that she did not commit in their presence. The court agreed, reasoning that the defendant's misdemeanor failure to apply for a transfer of ownership within 45 days of vehicle delivery was complete in 45 days, and was therefore not a continuing offense that occurred in the officers' presence, since the 45 days had

already elapsed by the time of the stop. Washington law generally requires that a misdemeanor occur within an officer's presence for an officer to make a warrantless arrest, and to make a search incident to that arrest. The court therefore determined that the defendant's arrest was unlawful, and granted her motion to suppress the evidence.

Summary: Failing or neglecting to make application to transfer the certificate of ownership and license registration within 45 days after the vehicle's delivery date is a continuing offense for each day during which the purchaser or transferee does not make such application. It is clarified that despite the continuing nature of this offense, it must be considered a single offense, regardless of the number of days that have elapsed following the 45-day time period.

Votes on Final Passage:

Senate	47	0	
House	79	15	(House amended)
Senate	43	3	(Senate concurred)

Effective: June 12, 2008

ESSB 6532
C 132 L 08

Authorizing certain cities to enter into lease agreements to use state-owned aquatic lands to operate a publicly owned marina.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Haugen and Keiser).

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Ecology & Parks
House Committee on Capital Budget

Background: The Legislature has assigned to the Department of Natural Resources (DNR) the responsibility for managing the state's aquatic lands for the benefit of the public. DNR manages over two million acres of tidelands, shorelands, and bedlands. This includes the beds of navigable rivers and lakes, along with the beds below the Puget Sound.

The management of aquatic lands must support a balance of goals, including the encouragement of public access, the fostering of water-dependent uses, the utilization of renewable resources, environmental protection, and the generation of revenue. Revenues generated from the state's aquatic lands are generally directed to be used for public benefits, such as shoreline access, environmental protection, and recreational opportunities.

DNR has general leasing authority for aquatic lands. The Legislature has directed DNR, however, to favor water-dependent uses. State-owned aquatic land lease rates for water-dependent uses are determined using a

statutory formula, based largely on the value of an associated upland parcel. The term "water-dependent use" refers to a use that cannot logically exist in any location but on water. DNR must lease parcels used for non-water dependent uses at fair market value.

Port districts and DNR may enter into agreements authorizing port districts to manage certain state-owned aquatic lands for port purposes. Ports must manage such lands consistent with the aquatic lands management statutes that apply to DNR. Ports need not pay rent for lands managed under a port management agreement that are used for water-dependent or oriented uses. If a port leases such lands for a non-water dependent use, 85 percent of that revenue must go to the state.

Summary: A city with a current population between 20,000 and 25,000 and that currently operates a publicly owned marina may enter into a reduced fee lease, not to exceed 20 years, with DNR authorizing the city to use state-owned aquatic lands for the purpose of operating a publicly owned marina. The Office of Financial Management's population estimate serves as the basis to determine a city's population.

State-owned aquatic lands included in the lease are those included in a city's most recent marina lease with DNR, along with aquatic lands immediately adjacent to those lands.

No rent is due for the use of state-owned aquatic lands for the first ten years under the lease. During subsequent years, rent is only due for those lands included in a previous aquatic land marina lease.

A city choosing to enter into such a lease has one year from June 12, 2008, to do so. A city must have paid any amounts owed DNR before entering into such a lease. The lease may not be renewed or extended.

During the first ten years of the lease, a city may not apply for grants from the aquatic lands enhancement account.

Votes on Final Passage:

Senate	49	0
House	93	0

Effective: June 12, 2008

SB 6534
C 172 L 08

Regarding the revision of mathematics standards.

By Senators McAuliffe and Tom.

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: Under current law, the Office of the Superintendent of Public Instruction (SPI) has the responsibility to develop and revise the essential academic learning requirements (student learning standards) that identify the knowledge and skills that public school

students need to know and be able to do. The learning standards are based upon the student learning goals in statute. If the SPI proposes any modification to the student learning standards, then the SPI must, upon request, provide opportunities for the education committees of the Legislature to review the proposed modifications before the modifications are adopted.

During the 2007 Legislative Session, the Legislature directed the State Board of Education (SBE) to recommend to the SPI revised state learning standards in mathematics and science. The recommendations for the mathematics standards had to be provided to SPI by September 30, 2007. The SPI is required to revise the mathematics standards and grade level expectations by January 31, 2008, and present the revised standards to the SBE and the Legislature. The SPI must adopt the revised standards and grade level expectations unless otherwise directed by the Legislature during the 2008 Legislative Session.

Summary: The Legislature intends that the revised mathematics standards by the SPI will fortify content and increase rigor; provide greater clarity, specificity, and measurability of what is expected of students; supply more explicit guidance for educators, enhance the relevance of mathematics to students, and ultimately result in more Washington students having the opportunity to be successful in mathematics. Additionally, the revised standards should make clear the importance of all aspects of mathematics.

The SBE is directed to retain a national consultant to analyze the February 2008 version of revised mathematics standards from SPI and make specific recommendations for changes needed to finalize the standards. By May 15, 2008, the SBE must review the consultant's report, consult the Mathematics Advisory Panel, hold a public hearing, and direct any subsequent modifications to the consultant's report and recommendations, which are then forwarded to the SPI for implementation. The SPI must revise the mathematics standards to conform precisely to the SBE recommendations by July 1, 2008. By July 31, 2008, the SBE must either approve adoption by SPI of the final revised mathematics standards or develop a plan to ensure the recommendations are implemented so that final revised standards can be adopted by September 25, 2008.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: March 26, 2008

SSB 6544

C 38 L 08

Increasing the sentencing range for first degree criminal mistreatment.

By Senate Committee on Judiciary (originally sponsored by Senators Stevens, Honeyford, Pflug, Delvin, Holmquist, McCaslin, Swecker and Roach).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: The presumptive standard sentencing range for ranked felonies is determined by the seriousness level of the offense and the offender's specific criminal history (offender score). Criminal mistreatment in the first degree is a class B felony ranked at seriousness level IX. If a person is convicted of criminal mistreatment in the first degree and has no prior felony convictions, that person would be sentenced to a period of 31 to 41 months, absent any facts supporting an aggravated sentence or mitigating circumstances.

A person is guilty of first degree criminal mistreatment if the person recklessly causes great bodily harm to a child or dependent person by withholding any of the basic necessities of life. The person must be a parent of a child, the person entrusted with the physical custody of a child or dependent person, a person who has assumed the responsibility to provide to a dependent person the basic necessities of life or a person employed to provide to the child or dependent person the basic necessities of life.

Summary: The offense of criminal mistreatment in the first degree is ranked a seriousness level XII.

Votes on Final Passage:

Senate	48	0
House	94	0

Effective: June 12, 2008

SSB 6556

C 173 L 08

Requiring the office of the superintendent of public instruction to develop anaphylactic policy guidelines.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Honeyford, Pflug, Morton, Stevens and Swecker).

Senate Committee on Early Learning & K-12 Education
House Committee on Health Care & Wellness

Background: Anaphylaxis is an allergic hypersensitivity reaction of the body to a foreign protein or drug. Anaphylaxis can be caused by drugs, insect stings, foods, and inhalants. In some cases it can result in convulsions,

unconsciousness, and even death. Epinephrine is used to treat anaphylactic reactions.

Under current Washington law, public elementary and secondary schools are required to allow students to self-administer medication to treat their asthma or anaphylaxis, if a health care provider prescribed the medication and the student has demonstrated the skill level necessary to use the medication.

In the 2007-09 budget, the Office of Superintendent of Public Instruction (OSPI) received \$45,000 to convene a workgroup to develop school food allergy guidelines and policies by March 31, 2008. This allows for school district implementation in the 2008-09 school year.

Summary: OSPI, in consultation with the Department of Health, must develop anaphylactic policy guidelines for schools to prevent anaphylaxis and deal with medical emergencies resulting from it. The guidelines must be developed with input from various stakeholders.

The policy guidelines must include, but are not limited to, a procedure for developing a treatment plan for responding to a student experiencing anaphylaxis, the content of a training course for appropriate school personnel, a procedure for developing an individualized emergency health care plan for children with allergies that could result in anaphylaxis, a communication plan, and strategies to reduce the risk of exposure to anaphylactic causative agents. "Anaphylaxis" is defined.

By October 15, 2008, OSPI must report to the School Health Reform Task Force on: (1) the implementation of the Food Allergy Guidelines, including a review of school district policies, training provided to school personnel, and plans for follow-up monitoring of implementation; and (2) recommendations on requirements for effectively implementing the Anaphylactic Policy Guidelines.

By March 31, 2009, the Superintendent of Public Instruction must report the guidelines to school districts and the Legislature. By September 1, 2009, each school district must use the guidelines to develop and adopt a policy to assist each school to prevent anaphylaxis.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	44	0	(Senate concurred)

Effective: June 12, 2008

ESSB 6560

C 216 L 08

Regarding public utility district contracts.

By Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Honeyford, Morton, Delvin and Swecker).

Senate Committee on Water, Energy & Telecommunications

House Committee on State Government & Tribal Affairs

Background: PUD Work Contracting. Public utility districts (PUDs) must contract for work estimated to cost over \$10,000 or work using material costing over \$50,000.

As an alternative to competitive bid contracting procedures, PUDs may use a small works roster procedure when contracting for public works estimated to cost \$200,000 or less. Under that procedure, PUDs must obtain quotations from contractors who have requested to be listed on a small works roster to assure that a competitive price is established and that a contract is awarded to the lowest responsible bidder.

PUD Materials Contracting. Generally, PUDs must contract to purchase over \$10,000 of items of one kind. They must also contract to purchase over \$5,000 of items of one kind in any calendar month.

PUDs may use an informal vendor list contracting procedure when purchasing material of one kind worth over \$10,000 and less than \$50,000. This procedure involves soliciting quotations from at least three vendors on a vendor list whenever possible to assure that a competitive price is established and that a contract is awarded to the lowest responsible bidder. PUDs establish and revise vendor lists by publishing a notice, at least twice a year, soliciting vendors for inclusion on the list.

Summary: PUD Work Contracting. The maximum estimated cost of work done by PUDs without contracting is raised to \$25,000, and the maximum cost of material used in work by PUDs without contracting is raised to \$150,000. An outdated provision concerning PUD contracting using the small works roster procedure is corrected and clarified.

PUD Materials Contracting. The maximum cost of items of one kind purchased without contracting is raised to \$15,000 and the maximum cost of items of one kind purchased in any calendar month without contracting is raised to \$7,500.

The minimum cost of items of one kind purchased using the vendor list contracting procedure is raised to \$15,000. The maximum cost of items of one kind purchased using that procedure is raised to \$60,000. A clarification provides that these limits apply on a per-calendar month basis.

Votes on Final Passage:

Senate	44	3	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

ESSB 6570

C 247 L 08

Regarding private business activities in state-owned housing provided by the department of fish and wildlife or the parks and recreation commission.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Fairley, Roach, Benton and Oemig; by request of Parks and Recreation Commission).

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: All state employees are bound by state ethics outlined in the Public Service Act (the Act). The Act addresses conflicts of interest, improper use of state resources, compensation for outside activities, gifts, and creates the executive ethics board (Board). The Board is composed of five members. The Board enforces the law, promulgates interpretive rules, adopts rules and policies governing the conduct of business by the Board, and provides advisory opinions.

State officers and state employees may not use any person, money, or property under their official control or direction for the private benefit or gain of the officer, employee, or another. State officers and state employees may not use his or her position to secure special privileges for himself or herself, or his or her spouse.

Summary: The Department of Fish and Wildlife (Department) and the Parks and Recreation Commission (Commission) are authorized to approve private business activity in state-owned housing for off-duty employees, their spouses, and the employee's children. The Department and the Commission are required to adopt a private business activity policy subject to approval by the Board. The policy may only authorize private business activities for: the resident state employee while the employee is off duty; an employee's spouse who is approved for residency; and the employee's children. A state employee is presumed to not violate ethics laws if the employee, employee's spouse, or child complies with provisions of the Act.

Activity may not negatively impact agency operations. Private business activity is defined as those activities that do not negatively impact the agency's operation. Negative impacts include, but is not limited to: negative impacts to visitors' services or access; in-person visits to state-owned housing for the purposes of transacting

business; the incurrence of additional expenses by the state; and an appearance of state endorsement of the private business activity.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

SSB 6572

C 248 L 08

Allowing microbreweries to maintain off-premises warehouses for distribution.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Spanel, Jacobsen, Kohl-Welles and McDermott).

Senate Committee on Labor, Commerce, Research & Development

House Committee on Commerce & Labor

Background: Microbreweries are authorized to distribute their product directly to licensed retailers.

Summary: Subject to approval by the Liquor Control Board, microbreweries operating as self-distributors are authorized to maintain one off-premise warehouse for the distribution of beer.

Votes on Final Passage:

Senate	44	0
House	96	0

Effective: June 12, 2008
June 30, 2008 (Section 2)

ESSB 6573

C 99 L 08

Providing additional revenues for public safety.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Brandland, Kauffman, Delvin, Benton, Roach, McAuliffe and Rasmussen; by request of LEOFF Plan 2 Retirement Board).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) provides retirement benefits to full-time, fully-compensated law enforcement officers and fire fighters employed by the State, cities, counties, and special districts and who were first employed in an eligible position on or after October 1, 1977.

LEOFF 2 is funded by contributions to the LEOFF 2 Retirement Fund from member, employer, and State

contributions, as well as investment earnings on the funds contributed. The total level of contributions required in a given period is allocated as follows: 50 percent is paid by the members, 30 percent is paid by employers, and the remaining 20 percent is paid by the State. Investment of monies in the LEOFF 2 Retirement Fund is handled by the State Investment Board (SIB).

The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Board (the Board) is responsible for the adoption of the economic assumptions, actuarial methods, and contribution rates LEOFF 2. The Board also studies issues related to plan funding and benefits, and recommends legislation to the Legislature as required. The expenses of the board are paid from the LEOFF 2 Retirement Fund, with the LEOFF 2 Expense Fund serving as an intermediary expense account. The day-to-day administration of LEOFF 2 is handled by the Department of Retirement Systems.

Summary: Beginning in 2011, and by September 30 of odd-numbered years in each subsequent fiscal biennium in which general state revenue collections increase by more than 5 percent from the prior fiscal biennium, the State Treasurer must transfer, subject to appropriation, funds for transfer to a new Local Public Safety Enhancement Account (LPSEA).

The amounts of the transfers to the LPSEA are: \$5 million for 2011; \$10 million in 2013; \$20 million in 2015; \$50 million in 2017; and in subsequent fiscal biennium the lesser of one-third of the general revenue increase amount or \$50 million. General state revenues means total revenues to the General Fund-State less state revenues from property taxes.

Half of the funds moved to the LPSEA are to be transferred to a new Law Enforcement Officers' and Fire Fighters' Retirement System Benefits Improvement Account (Benefits Improvement Account) created within the LEOFF 2 Retirement Fund. The remaining funds in the LPSEA are distributed to local governments for public safety purposes.

Money transferred to the Benefits Improvement Account can only be used to fund benefits adopted by the Legislature. Benefits may be funded from the Benefits Improvement Account if the State Actuary determines that the actuarial present value of the proposed and existing benefit obligations is met or exceeded by the actuarial present value of the projected revenues to the account. The State Investment Board (SIB) is authorized to adopt investment policies and invest the money in the Benefits Improvement Account.

The Board has the sole authority to authorize disbursements from the Benefits Improvement Account, and to establish all other policies relating to the Benefits Improvement Account, which must be administered in an actuarially sound manner. Funds in the Benefits Improvement Account may not be considered assets of the plan and are not included in contribution rate

calculations by the State Actuary until so directed by the Board for purposes of financing benefits adopted by the Board. The LEOFF 2 Board is required to include sufficient funds from the account in the LEOFF 2 Fund to meet benefit obligations within 90 days of the fund's transfer into the account.

The State Treasurer is responsible for the distribution of the remaining funds in the LPSEA to local governments. Each jurisdiction's allocation is proportionate to the share of LEOFF 2 membership that it employs. In the event that two jurisdictions have a contract for the provision of law enforcement or fire protection services, the two parties must agree on a revenue sharing arrangement before funds will be distributed. The LPSEA funds may only be used for the purposes of enhancement of criminal justice services, information and assistance programs for families of at risk or runaway youth, or other public safety purposes, and may not supplant existing expenditures by local jurisdictions for those purposes.

Votes on Final Passage:

Senate	48	1	
House	82	12	(House amended)
Senate	45	2	(Senate concurred)

Effective: June 12, 2008

ESSB 6580
PARTIAL VETO
C 289 L 08

Addressing the impacts of climate change through the growth management act.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Marr, Weinstein, Pridemore, Kauffman, Keiser, McAuliffe, Hobbs, Regala, Kline, Kohl-Welles, Fairley, Oemig, Rockefeller, Prentice and McDermott).

- Senate Committee on Government Operations & Elections
- Senate Committee on Ways & Means
- House Committee on Local Government
- House Committee on Appropriations

Background: The Growth Management Act (GMA) includes 13 goals to guide the development and adoption of comprehensive plans and development of regulations for jurisdictions planning under the GMA.

Jurisdictions planning under the GMA must adopt internally consistent comprehensive land use plans, which are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must satisfy requirements for specified elements, each of which is a subset of a comprehensive plan.

There are currently eight elements to be addressed in comprehensive plans: a land use element; a housing element; a capital facilities plan element; a utilities element;

a rural element; a transportation element; and a park and recreation element.

Any new or amended elements are to be adopted concurrent with the scheduled update for the planning jurisdiction. Funds sufficient to cover applicable local government costs must be appropriated and distributed by the state to local governments when new or amended elements are required.

Summary: The Department of Community, Trade and Economic Development (CTED) must: (1) develop and provide counties and cities with a range of advisory climate change response methodologies, a computer modeling program, and estimates of greenhouse gas emissions reductions which must reflect regional and local variations of the county or city by December 1, 2009; (2) work with the Department of Transportation to reduce vehicle miles traveled; (3) administer a local government global warming mitigation and adaptation program, which must conclude by June 30, 2010. Counties and cities are selected for the program through a competitive process; (4) provide grants and technical assistance to aid the selected counties and cities in their efforts to anticipate, mitigate, and adapt to global warming and its associated problems; (5) prepare a report of program findings and recommendations to the Governor and Legislature by January 1, 2011; and (6) prepare an additional report including descriptions of actions that counties and cities are taking to address climate change, among other items, by December 1, 2008. An advisory policy committee must prepare the report.

A Growth Management Hearings Board is not authorized to hear petitions alleging non-compliance with this act.

In administering the local government global warming mitigation and adaptation program, CTED must select six or fewer cities for the program. Recommendations in the report must be approved by a majority of the voting members of an advisory policy committee.

A report produced by CTED for the local government global warming mitigation and adaptation program must consider the positive and negative impacts to affordable housing, employment, transportation costs, and economic development that result from addressing the impacts of climate change at the local level. When developing a climate change report, CTED is directed to consider positive and negative impacts to affordable housing, employment, transportation costs, and economic development that result from addressing the impacts of climate change at the local level. City and county members serving on the climate change advisory policy committee must be elected officials. A member representing an association of commercial forestry interests is added to the list of nonvoting ex officio members serving on the climate change advisory policy committee.

Votes on Final Passage:

Senate	31	18	
House	59	34	(House amended)
House	58	35	(House reconsidered)
Senate	30	18	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The emergency clause language allowing the legislation to take effect immediately is removed. The null and void language in sections 8, 9, and 10 is removed.

VETO MESSAGE ON ESSB 6580

April 1, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 7, 8, 9 and 10, Engrossed Substitute Senate Bill 6580 entitled:

“AN ACT Relating to mitigating the impacts of climate change through the growth management act.”

Section 2 requires the Department of Community, Trade and Economic Development to develop advisory methods for how counties and cities can evaluate and respond to climate change. In my view, this section of the bill does not create a new mandate for local governments, and does not provide grounds for new litigation under the Growth Management Act. The section appropriately recognizes the differences between our urban and rural settings, and requires the Department to follow the recommendations of the policy committee created in Section 4 of the bill. The bill directs the committee, which will include legislators, county and city officials, tribes, state agencies, business, agriculture, forestry, land use and other interests, to develop recommendations for whether and how climate change could be addressed in the GMA. Any further action on this topic is subject to future decisions by the Legislature. In addition, Section 6 of the bill ensures that the ongoing Ruckelshaus Center process related to agriculture and land use is not affected.

Section 3 establishes a voluntary pilot global warming mitigation and adaptation program for up to three counties and up to six cities. The Department is required to provide grants and technical assistance to local governments who are addressing climate change through their land use plans. Only partial funding was provided for the pilot program -- enough for the Department to provide limited technical assistance, but not enough to provide state grant funds to the pilot jurisdictions. I ask the Department to encourage local jurisdictions that have their own resources to begin, on a voluntary basis, to address the role of land use and transportation planning in mitigating climate change. However, given the state’s budget forecast, I strongly believe that additional state funding for the pilots will not be available next biennium.

Section 7 is an emergency clause to allow the bill to take effect immediately. An emergency clause is to be used where it is necessary for the immediate preservation of the public peace, health or safety or whenever it is essential for the support of state government. The clause would allow the Department to promptly convene a committee and begin work on a report due later this year. However, there was no supplemental funding provided to implement the bill in fiscal year 2008. As a result, the emergency clause is not needed.

Section 8 would declare this act null and void if funding were not provided specifically for Section 2 of the bill (advisory methods) in the omnibus appropriations act. Section 9 would declare this act null and void if funding were not provided specifically for Section 3 of the bill (pilot program) in the omnibus appropriations act. Section 10 of the bill would declare this act null and

void if funding were not provided specifically for this measure in the omnibus appropriations act. Funding for this bill, including Sections 2 and 3, was included in the omnibus appropriations act. As a result, the null and void clauses are not needed.

For these reasons, I have vetoed Sections 7, 8, 9 and 10 of Engrossed Substitute Senate Bill 6580.

With the exception of Sections 7, 8, 9 and 10, Engrossed Substitute Senate Bill 6580 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6583
C 317 L 08

Changing provisions relating to eligibility for medical assistance.

By Senate Committee on Ways & Means (originally sponsored by Senators Brandland and Hargrove).

- Senate Committee on Human Services & Corrections
- Senate Committee on Ways & Means
- House Committee on Health Care & Wellness
- House Committee on Appropriations

Background: In the state of Washington, an individual may qualify for Medicaid coverage under the "categorically needy" (CN) program if the individual is disabled, blind, or over age 65, and meets income limitations. The Department of Social and Health Services (DSHS) has set the income limitation for the CN program at \$637 per month for one person, or \$956 per month for two persons. A person who is disabled, blind, or over age 65, and who has an income greater than \$637 per month may qualify for Medicaid under the "medically needy" (MN) program only if the person can prove that the person has spent all of his or her excess income above \$637 per month on medical expenses for the three- or six-month period prior to coverage. A person who is released from a correctional institution or institution for mental diseases is not eligible for Medicaid under the MN program if the person's medical expenses for the previous three- or six-month period were covered by the institution. DSHS may change the income limitation for the CN Medicaid program within parameters authorized by the federal government without losing federal matching funds.

The federal poverty level (FPL) refers to poverty guidelines published annually by the federal Department of Health and Human Services. These guidelines are adjusted annually to account for inflation. The FPL is currently \$851 per month for one individual or \$1,141 per month for two persons.

Summary: DSHS must raise the categorically needy income level (CNIL) for aged, blind, and disabled persons to 80 percent of the FPL as adjusted annually beginning July 1, 2009. The act takes effect July 1, 2009. DSHS must prepare a fiscal analysis of costs and cost savings associated with raising the CNIL to 80 percent of FPL and submit the report to the Legislature by November 1, 2010. Persons who become eligible for medical assistance after June 30, 2008, are not eligible for the Washington State Health Insurance Pool.

The provisions of the bill are contingent upon funding being provided in the 2009-11 biennial budget.

Votes on Final Passage:

Senate	44	0	
House	92	1	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 1, 2009

SB 6588
C 174 L 08

Authorizing the transfer of accumulated leave between the common school and higher education systems.

By Senators Kauffman, Prentice, Kastama, Hobbs, Sheldon, Delvin, Shin, McAuliffe and Rasmussen.

Senate Committee on Early Learning & K-12 Education
House Committee on Education
House Committee on Appropriations

Background: The higher education statutes currently provide that accumulated leave of employees at the community colleges must be transferrable between college districts, any state agency, any Educational Service District (ESD), any school district, or any of the public four-year institutions of higher education.

The K-12 statutes currently provide that accumulated leave of certificated, classified, and ESD employees must be transferrable to and from one school district to another, the Office of the Superintendent of Public Instruction, and the office of the ESDs.

Summary: Clarifying language is added to the K-12 statutes to explicitly permit the transfer of accumulated leave of certificated, classified, and ESD employees to and from institutions of higher education and community colleges.

Votes on Final Passage:

Senate	46	2
House	93	0

Effective: June 12, 2008

ESB 6591
C 217 L 08

Regulating insurance producers.

By Senators Benton and Berkey; by request of Insurance Commissioner.

Senate Committee on Financial Institutions & Insurance
House Committee on Insurance, Financial Institutions & Consumer Protection

Background: Major legislation was enacted last year that, among other effects, changed the terms "agent", "broker", and "solicitor" to the term "producer." Many instances of the use of these now obsolete terms occur throughout the code.

Summary: Statutory references to the terms "agent", "broker", and "solicitor" are changed to the term "producer."

Votes on Final Passage:

Senate	49	0
House	94	0

Effective: July 1, 2009

SSB 6596
C 249 L 08

Providing for the creation of a sex offender policy board.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Carrell, Regala, Stevens, Marr, Shin, McAuliffe, Brandland and Kilmer).

Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means
House Committee on Public Safety & Emergency Preparedness
House Committee on Appropriations

Background: The Washington State Institute for Public Policy has published many papers over the years on sex offender issues at the behest of the Legislature. The Department of Corrections has been asked by the Legislature to perform various tasks related to sex offenders. This summer the Governor convened an ad hoc task force to address the sex offender issues raised in the Zina Linnick homicide. Although various organizations and institutions have dealt with issues related to sex offenders, there has been no single established group to address emerging issues. Other states have instituted sex offender policy boards whose responsibility it is to stay apprised of the best practices, research, and risk management of sex offenders. These boards have been instrumental in those states in informing policy makers about various issues relating to sex offenders.

Summary: The Sentencing Guidelines Commission (SGC) must establish, staff, and maintain a sex offender policy board (board). The board consists of 13 voting members and three non-voting members. The voting members are as follows:

- a representative of the Washington Association of Sheriffs and Police Chiefs;
- a representative of the Washington Association of Prosecuting Attorneys;
- a representative of the Washington Association of Criminal Defense Lawyers;
- the Chair of the Indeterminate Sentencing Review Board or the Chair's designee;
- a representative of the Washington Association for the Treatment of Sex Offenders;
- the Secretary of the Department of Corrections or the Secretary's designee;
- a representative of the Washington State Superior Court Judge's Association;
- the Assistant Secretary of the Juvenile Rehabilitation Administration or the Assistant Secretary's designee;
- a representative of the Office of Crime Victims Advocacy;
- a representative of the Association of Washington Cities;
- a representative of the Washington State Association of Counties;
- a representative of the Washington Coalition of Sexual Assault Programs; and
- the Director of the Special Commitment Center or the Director's designee.

The non-voting members consist of two members of the SGC chosen by the SGC chair and a representative of the Criminal Justice Division in the Attorney General's Office. The Washington State Institute for Public Policy will act as advisor to the board.

The board must choose its chair by majority vote from among its voting membership. The chair's term is two years. The SGC chair will convene the first meeting of the board.

The members of the board selected by statewide organizations are appointed for three-year terms and serve until their successor is appointed by the organization they represent. The terms of the initial members are to be staggered so that their terms expire after one, two, and three years.

The board has the following duties:

- to stay apprised of research and best practices related to risk assessment, treatment, and supervision of sex offenders, community education regarding sex offenses and offenders, prevention of sex offenses, and sex offender management in general;
- to conduct case reviews on sex offenses as needed to understand the performance of sex offender prevention to response systems or are requested by the Governor, the Legislature, or law enforcement;

- to develop and report on benchmarks that measure performance across the state's sex offender response system;
- to assess and communicate best practices or upcoming trends in other jurisdictions to assess their applicability in Washington; and
- to provide a forum for discussion of issues that requires interagency communication, coordination, and collaboration.

The board is to develop an initial work plan detailing how it will achieve its duties and submit it to the Governor and the Legislature no later than December 1, 2008. The board must annually update the work plan and include reasonable performance measures which indicate whether it is meeting its responsibilities. The board must also report annually to the Governor and the Legislature regarding the board's activities.

The Joint Legislative Audit & Review Committee is to conduct a sunset review in 2013.

Votes on Final Passage:

Senate	48	0	
House	64	30	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

SSB 6602
C 128 L 08

Modifying pilotage act and related provisions.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Swecker; by request of Board of Pilotage Commissioners).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, the Board of Pilotage Commissioners (Board) must provide for the maintenance of efficient and competent pilotage service on the waters of the Puget Sound pilotage district and the Grays Harbor pilotage district. To this end, the Board examines the proficiency of potential pilots, licenses pilots, enforces the use of pilots, sets pilotage rates, investigates reported accidents involving pilots, keeps records of various matters affecting pilotage, and performs various other duties as required by law.

Summary: Various general statutory provisions regarding the implementation of the Pilotage Act are revised.

Qualifications and Licensing. The following changes are made regarding the qualification and licensing requirements for marine pilots and pilot trainees:

- allows the Board to contract with private or governmental entities, and to consult with active marine pilots, in establishing, administering, and grading marine pilot licensing exams or simulator evaluations;

- clarifies that physical exams are not required until licenses are issued;
- specifies a process to review a pilot applicant's written exams and evaluation exercises to qualify for pilot trainee status; and
- specifies venue on administrative appeals.

Administrative Changes. The following changes are made to certain administrative provisions of the Pilotage Act:

- clarifies the Board's collecting, reporting, and publishing requirements;
- clarifies that the yacht exemption language applies to certain yachts regardless of whether operated only in the Puget Sound and lower British Columbia;
- clarifies provisions regarding the ranking of applicants for entry into the pilot trainee program;
- adds references to "pilot trainees" as a technical change;
- integrates liability limitation language from two different bills enacted during the 2005 session;
- grants civil immunity to pilots, pilot trainees, and Board members regarding communications related to information about certain marine incidents or occurrences, or reports of the performances of pilots or pilot trainees; and
- specifies a reporting process for masters, pilots, or pilot trainees who deviate from the requirements of the Pilotage Act in order to comply with any federal or international law, other state law, or to ensure the safety of the vessel or crew under his or her control.

Pilotage Account. Effective July 1, 2009, the Pilotage Account is redesignated as a nonappropriated account in the custody of the State Treasurer. Expenditures from the account may be made only by the Board or Board's designee, and only for the purposes of the Board as prescribed under the Pilotage Act. Interest earnings in the account remain with the account.

Votes on Final Passage:

Senate 48 0

House 94 0

Effective: June 12, 2008

July 1, 2009 (Sections 17 - 20)

SSB 6604

C 16 L 08

Enhancing the mobility of certified public accountants.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Murray, Holmquist, Kohl-Welles, Prentice, King and Marr).

Senate Committee on Labor, Commerce, Research & Development

House Committee on Commerce & Labor

Background: The Public Accountancy Act (Act) governs the practice of accounting in the state. Under the Act, both accountants and accounting firms must be licensed to hold themselves out as "certified public accountants" or "CPAs." The Board of Accountancy (Board) adopts rules, conducts investigations, and otherwise administers the Act.

Accountants and accounting firms perform various services which, depending on the service, must meet certain professional standards. The Board conducts a quality assurance review (QAR) program to review the work of licensees.

An individual whose principal place of business is outside Washington may obtain a practice privilege to practice without a Washington license if the person meets "substantial equivalency" requirements. The individual must either: (1) be licensed in a state whose entry requirements are substantially equivalent to Washington's requirements; or (2) as an individual, have the entry requirements that are substantially equivalent to Washington's requirements. To have the practice privilege, qualifying persons must notify the Board of their intent to enter the state and pay a fee. By rule, the Board interprets the notice and fee requirements to apply to individuals who spend more than 10 percent of their total work hours on activities conducted within the state, or who conduct other specified activities in the state.

Out-of-state sole practitioner CPAs who have a practice privilege may perform all accounting work. Other practitioners who do specified work may do so only if the firm has a Washington license.

As a condition of exercising the practice privilege, an out-of-state CPA consents to the personal and subject matter jurisdiction of the Board and to the appointment of his or her home state board as the agent for service of process. If a board in another state makes a complaint, the Washington Board has authority to investigate.

Summary: The notice and fee requirements for the exercise of practice privileges by out-of-state CPAs are eliminated. The consent to jurisdiction for the practice privilege is broadened so that the firm, in addition to the individual, consents to personal and subject matter jurisdiction and both the firm and the individual consent to the disciplinary authority of the Board. In addition, if the individual's license from the other state is no longer valid, the individual agrees to stop practicing in Washington. The practice privilege and consent no longer apply only to CPAs who enter the state.

The types of services that may be performed by individuals with practice privileges are modified. If certain attest services are performed by an individual with practice privileges for an entity with its home office in Washington, the firm must have a Washington license. These services are audits and examinations of prospective financial information performed in accordance with specified standards and any engagement to be performed

in accordance with certain federal standards. Other services may be performed by an individual with practice privileges if the firm has a Washington license. These services are reviews of financial statements and compilations, in accordance with specified standards.

The criteria for substantial equivalency are specified. A substantially equivalent state is one that requires: (1) at least 150 semester hours of college or university education, including a degree; (2) a passing grade on the uniform CPA exam; and (3) at least one year of experience. The Board may exempt an individual from the education requirement if the individual held a valid license before January 1, 2012.

A provision allowing the Board to exempt individuals with practice privileges from continuing education requirements is deleted as is a provision allowing the Board to accept a national organization's designation of substantial equivalency.

The Board's relationship with other boards is changed. The Board must investigate any complaint made by a board and must also cooperate with the other boards, including boards in other jurisdictions beyond the defined states.

New definitions are provided in statute. These include definitions of "attest" and "compilation."

The Commonwealth of the Northern Mariana Islands will be added to the list of jurisdictions considered a "state" for purposes of out-of-state practice privileges when the Board determines their standards are substantially equivalent to Washington standards.

Votes on Final Passage:

Senate	48	0
House	95	0

Effective: June 12, 2008

ESSB 6606
C 119 L 08

Requiring the licensing of home inspectors.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Spanel, Kohl-Welles, Honeyford, Prentice, Murray and Rasmussen).

Senate Committee on Labor, Commerce, Research & Development
House Committee on Commerce & Labor
House Committee on Appropriations

Background: Home inspectors are not required to be registered, certified, or licensed in this state. Many home inspectors are licensed by the Washington State Department of Agriculture (WSDA) to perform structural pest inspections.

In 2007 the Legislature requested the Department of Licensing (DOL) conduct a study of the home inspector

profession and recommend whether the profession should be regulated to protect the public as required under the statutes dealing with sunrise reviews. In November 2007 DOL issued its sunrise review report on home inspectors and recommended that the Legislature pursue licensure of the home inspector profession.

Summary: Beginning on September 1, 2009, no person may advertise or hold him or herself out as a home inspector or conduct home inspections without first being licensed by the state DOL. Persons who are currently working as home inspectors have until July 1, 2010, to meet licensing requirements. However, a person who is currently performing home inspections may become licensed by only taking the examination if that person applies to the home inspector advisory licensing board by September 1, 2009, and has worked as a home inspector for two years and conducted at least 100 inspections. The DOL may begin issuing licenses July 1, 2009.

Duties. A home inspector must perform a visual and noninvasive inspection of readily accessible systems and components of a home and report on the general condition of those systems and components at the time of the inspection in the inspector's written report. The inspection must meet the minimum standards of practice developed by the board and must include looking for certain fire and safety hazards.

Licensing Board. A state home inspector advisory licensing board is created consisting of seven members appointed by the Governor. Of the seven members, six must be actively engaged as home inspectors immediately before their appointment to the board; and one must be currently teaching in a home inspector certification program. The composition of the home inspector members must be representative of the geographic distribution of home inspectors in the state. No more than two board members may be members of a particular national home inspector association or organization.

A home inspector must have the following qualifications to be appointed to the board: five years experience as a home inspector in Washington; licensed as a home inspector in this state; and have performed 500 home inspections in this state.

Board members are entitled to compensation for each day spent conducting official business and to travel reimbursement.

Director's Authority. The Director of DOL may adopt rules, fees, and standards of professional conduct, and administer licensing examinations approved by the board. The Director must establish under what circumstances a home inspector license may be suspended or revoked.

Licensing Board's Authority. The board may do the following: establish rules for adoption by the Director; establish minimum qualifications for licensing applicants; approve the method by which exams will be

administered; approve exams prepared by other entities to be used by DOL; set the time and place for exams with approval of DOL; and establish and review standards of professional conduct, practice, and ethics for adoption by DOL.

Qualifications for Licensure. To become licensed as a home inspector, an applicant must submit the following to DOL: an application on a form developed by DOL; the appropriate fee; proof of 120 hours of classroom instruction approved by the board; proof of 40 hours of field training; and evidence of successful passage of a written exam.

License Length. Licenses are issued for two years and expire on the applicant's second birthday following issuance of the license.

Advertising. All advertising, correspondence, and documents incidental to a home inspection must display the term "licensed home inspector" and the inspector's license number. However, national or interstate businesses or organizations are not required to include the license number of an inspector in advertising so long as the license number is included in all documents relating to the home inspection.

Continuing Education Requirements. Before a home inspection license will be renewed, the applicant must present satisfactory evidence that he or she has completed 24 hours of instruction every two years in courses approved by the board.

Written Reports. All licensed home inspectors must provide a written report, within a time period established by the board, to each person for whom the inspector performs a home inspection. An inspector may not perform any work on the inspected home, other than a home inspection-related consultation, for one year from the date of the report.

Penalties. DOL may issue civil infractions if a person: conducts a home inspection without being licensed; uses the license of another; gives false evidence to the Director in obtaining a license; falsely impersonates another licensee; or attempts to use an expired or revoked license. The Director may also apply for relief by injunction to restrain a person from the commission of a prohibited act.

Exemptions. Architects and engineers are exempt from the licensing requirements. Also exempt from the licensing requirements are electricians and plumbers licensed by the Department of Labor and Industries, pesticide operators, structural pest inspectors licensed by the WSDA, and certified real estate appraisers.

Reciprocity. Persons licensed in other states that have licensing requirements that meet or exceed the requirements of this state may become licensed if they pass the Washington portion of the written exam.

Structural Pest Inspector. A person licensed as a home inspector is exempt from licensing as a structural

pest inspector except when reporting on the identification of or damage by wood destroying insects.

Votes on Final Passage:

Senate	39	8	
House	93	0	(House amended)
Senate	39	8	(Senate concurred)

Effective: June 12, 2008

SSB 6607

C 250 L 08

Regarding shellfish protection district wastewater discharge fees, rates, and charges.

By Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Spanel, Haugen and Rasmussen).

Senate Committee on Water, Energy & Telecommunications

House Committee on Agriculture & Natural Resources

Background: County legislative authorities may create a shellfish protection district and adopt shellfish protection programs to address water quality issues affecting growing and harvesting shellfish. Counties must coordinate and cooperate with cities, towns, and water-related special districts within their boundaries in establishing shellfish protection districts and carrying out shellfish protection programs. Counties must also consult with the Departments of Health, Ecology, Agriculture, or the Conservation Commission about the elements of the shellfish protection program. To date, 12 districts exist, and eight have resulted in classification upgrades and re-openings.

Counties may finance a shellfish protection program through county tax revenues, inspection fees and other fees for provided services, rates specified in the protection program, or with federal, state, or private grants. Fees, rates, or charges must not be imposed by districts on the following: (1) confined animal feeding operations subject to the National Pollutant Discharge Elimination System (NPDES); (2) other facilities permitted and assessed fees under the NPDES system; and (3) timberlands classified under state timber and open space tax laws.

All dairy animal feeding operations are required to adopt a dairy nutrient management plan to assure the dairy does not discharge into state waters. These plans must be approved and certified by the local conservation district.

Summary: A shellfish protection district that charges rates or fees through county tax revenues, inspection fees, or reasonable charges must include sufficient detail of the expenditures of the revenue in its annual report. The exemption of a confined animal feeding operation subject to the national pollutant discharge elimination

system from fees, rates, or charges by a shellfish protection district is removed. Dairy animal feeding operations with certified dairy nutrient management plans submitted to the local conservation district and commercial agricultural operations on agricultural lands are subject to fees, rates, or charges by a shellfish protection district of not more than \$500 in a calendar year.

Votes on Final Passage:

Senate	43	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

2SSB 6626
C 15 L 08

Creating a sales and use tax deferral program for eligible investment projects in community empowerment zones.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Kastama, Rasmussen, Regala, Franklin, Marr, Carrell and Shin).

Senate Committee on Economic Development, Trade & Management

Senate Committee on Ways & Means

House Committee on Finance

Background: The Community Empowerment Zone (CEZ) program was created in 1993 to encourage public and private investment in low-income areas with high rates of unemployment. Local governments must request that an area receive a CEZ designation from the Department of Community, Trade and Economic Development. Only six areas in the state may receive the CEZ designation. Tax benefits available to firms that locate in a CEZ include sales and use tax deferrals and business and occupation tax credits for job creation and employer-provided job training.

Summary: Construction of corporate headquarters in a CEZ qualifies a person for deferral of sales and use taxes that would normally be incurred in the course of the construction. Manufacturing, warehousing, and wholesaling activities are excluded. The investment in the headquarters must be at least \$30 million and the headquarters must house at least 300 full-time employees earning at least the average annual state wage.

Tax deferral will not be allowed for any tax liability incurred prior to application for deferral. Only one deferral certificate may be issued per CEZ per biennium. The total number of deferral certificates issued per biennium is limited to two.

Recipients of deferrals are required to complete an annual survey and provide information on the amount of taxes deferred as well as on wages and jobs. The survey is due the year after the project is certified as operationally complete, and for the seven succeeding calendar

years. The Department of Revenue (DOR) is to study the effect of the credit on jobs and firms and report to the Legislature on December 1 of 2014 and 2018.

The deferred taxes need not be repaid if the recipient of the deferral continues to meet the eligibility requirements. If a deferral recipient fails to complete an annual survey, one-eighth of the taxes deferred are immediately due.

Votes on Final Passage:

Senate	48	0	
House	92	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 1, 2009

SB 6628
C 318 L 08

Clarifying the state's ability to recover from defendants the cost of mental health treatment provided at state hospitals.

By Senators Prentice, Fairley and Rasmussen; by request of Department of Social and Health Services.

Senate Committee on Human Services & Corrections

Background: The Department of Social and Health Services (DSHS) provides competency restoration treatment services for criminal defendants with mental illnesses at the two state hospitals. If treatment is not successful, the criminal case must be dismissed. Until a recent court decision, DSHS has sought reimbursement for the cost of competency restoration treatment from all defendants who are able to pay. The federal government requires the state to seek reimbursement from patients for medical services that are provided with federal financial participation. DSHS has claimed federal matching funds for competency restoration treatment.

A recent decision from the Washington Court of Appeals (*Utter v. DSHS*) determined that DSHS does not have the statutory authority to collect reimbursement for competency restoration treatment from defendants who have not been convicted of their crimes. As a result, DSHS has been prevented from attempting to collect reimbursement for this treatment in a large number of cases. DSHS has also determined that it is not able to claim federal matching funds in these cases.

Summary: In order to reverse the findings of the Washington Court of Appeals, the Legislature declares that costs of mental health treatment while the defendant is in the custody of DSHS for competency restoration treatment are not costs of prosecution, but are intended to be subject to full reimbursement from the defendant or the defendant's insurers.

Votes on Final Passage:

Senate 48 0
House 97 0

Effective: April 1, 2008

ESB 6629
C 263 L 08

Making clarifications to the nursing facility medicaid payment system in relation to the use of minimum occupancy in setting cost limits and application of the statewide average payment rate specified in the biennial appropriations act.

By Senators Franklin and Prentice; by request of Department of Social and Health Services.

Senate Committee on Ways & Means

Background: There are about 240 nursing home facilities in Washington providing long-term care services to approximately 11,000 Medicaid clients. The nursing facility payment system was first enacted into statute in 1980. Washington State is one of only a few states with details of the payment system in statute. The system is administered by the Department of Social and Health Services (Department). If the statute needs clarification, this often cannot be done through the rule-making process, and the Department must submit request legislation.

Nursing Facility Payment System and Median Cost Limits. The current payment system consists of seven different rate components: direct care, therapy care, support services, operations, property, financing allowance, and variable return.

A "minimum occupancy adjustment" is applied to all of the rate components except direct care. Aside from specific cases where a "hold harmless" applies, if a facility does not have more than a certain percentage of its beds filled, the rates are adjusted downward.

In several areas, median cost limits (MCLs), or caps, are applied to costs used to calculate the level of reimbursement available to a nursing facility (for example, the MCL for "operations" is 100 percent of median, meaning that facilities whose "operations" costs are above the median relative to their peers have their reimbursement limited to the median level).

Nursing Facility Rate Legislation Passed in the 2006 Session. The 2006 Legislature passed EHB 2716 (C 258 L 06), which amended the payment statute with a variety of changes that increased the level of reimbursement for many providers. Some of these changes included eliminating the minimum occupancy adjustment for direct care, and creating a "hold harmless" to operations' costs and direct care costs for certain providers who would not have had their reimbursement increased. Included in this legislation was a clarification that minimum occupancy

adjustments are applied to operations' costs prior to the calculation of median cost limits or MCLs. As the bill did not make changes to support services or therapy care, these sections were not amended. Existing statute defines these rate component allocations as including a minimum occupancy adjustment.

Nursing Facility Payment – Limits on Rates Set by the Operating Budget Act. The biennial operating budget act sets limits on overall nursing facility reimbursement. First, it appropriates funds based on expected caseload and average daily reimbursement rates. Second, it specifies an expected average daily rate commonly known as the "budget dial." This acts as a cap or limit on the total average reimbursement rates paid in that fiscal year.

If the Department determines that actual average daily rates paid to nursing facilities over the course of the year will be greater than the budget dial specified in that year's budget, then the Department has a statutory obligation to reduce the rates paid to all nursing facilities to make sure that this does not occur (alternately, the Legislature can appropriate additional funding to prevent a reduction in rates).

Appeals of Rates for Prior Years & Retroactive Payment. Nursing facilities have the right to appeal their reimbursement rate, which can result in hearings, lawsuits, or settlements. Sometimes these legal actions result in retroactive payment to the nursing facility for prior state fiscal years.

Summary: The act addresses three issues:

- (1) The act clarifies that the minimum occupancy adjustments are applied prior to the calculation of median cost limits for support services and therapy care, as well as for operations.
- (2) The act clarifies that any retroactive payments to nursing homes for a prior fiscal year may not cause the statewide average rate to exceed the budget dial for that same fiscal year. If a court judgment or order requiring retroactive payment for a prior fiscal year would result in the budget dial being exceeded for that same prior fiscal year, then the Department is only required to pay to the order to the extent that the statewide average would not exceed that budget dial.
- (3) The act clarifies that effective July 1, 2007, direct care rates are to be based on actual occupancy of residents regardless of whether a facility increases its number of beds. This results in an increase to certain facilities' direct care rates in fiscal years 2008 and 2009.

The Legislature intends that 2008 enactment of these sections is meant to be curative, remedial, and retroactively applied to July 1, 1998.

Votes on Final Passage:

Senate 49 0
House 97 0

Effective: June 12, 2008

SB 6638
C 264 L 08

Reallocating existing lodging taxes for heritage and arts programs in a county with a population of one million or more.

By Senators Murray, Roach, McAuliffe, Kohl-Welles, Fairley, Kline, Kauffman, Jacobsen, Eide and Pflug.

Senate Committee on Ways & Means
House Committee on Finance

Background: A hotel-motel tax is a special sales tax on lodging rentals by hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. Cities and counties are authorized to levy a basic, or "state-shared," hotel-motel tax of up to 2 percent. These taxes are credited against the state sales tax on the furnishing of lodging. Other hotel-motel taxes are imposed in addition to ordinary state and local sales taxes and are added to the amount paid by the customer. The latter type are often referred to as "special" hotel-motel taxes.

Beginning in 1989, the hotel-motel tax in King County not only applied to servicing the debt on the Kingdome, but a portion of the tax revenues above \$5.3 million per year was dedicated to arts and heritage programs in King County. Currently, 70 percent of the excess revenue is dedicated to the arts and heritage programs; however, 40 percent of the arts revenue is for the arts endowment fund, of which the principal cannot be touched. The remaining 30 percent of the revenue in excess of \$5.3 million is dedicated first to retiring the Kingdoms debt, then to acquisition of open space lands, youth sports activities, and tourism promotion. This is to continue until the Kingdome debt is retired, then the full portion of the local hotel-motel tax in King County is dedicated to retiring the debt on Qwest Field. Beginning in 2012, the only known source of funding for the arts and heritage programs in King County is the earnings of the arts endowment.

Summary: The 40 percent distributions of arts and heritage funds from the hotel-motel tax is no longer distributed to the endowment fund, but instead is distributed to an account dedicated to art museums, cultural museums, heritage museums, and heritage and preservation programs.

At the time the bonds used to pay for the repairs to the Kingdome are retired, the county hotel-motel tax will be distributed into the account dedicated to the arts and heritage programs until December 31, 2015. The bonds are expected to be retired in late 2014.

Beginning January 1, 2021, at least 37.5 percent of the county hotel-motel tax revenues will be distributed to the account dedicated to the arts and heritage programs.

All of the distribution changes to the hotel-motel tax in King County expire on July 1, 2009.

Votes on Final Passage:

Senate 44 5
House 67 30 (House amended)
Senate 43 6 (Senate concurred)

Effective: July 1, 2008

ESB 6641
C 319 L 08

Providing that voter-approved increases in property tax levy limitations for a multiyear period of up to six years do not permanently increase a taxing district's levy base, unless otherwise provided in the ballot proposition.

By Senators Regala, Zarelli and Carrell; by request of Department of Revenue.

Senate Committee on Ways & Means
House Committee on Finance

Background: In addition to constitutional and statutory limits on property tax rates, there is a statutory 1 percent limit on revenue growth for taxing districts. Under this revenue "lid" the amount of revenue collected from a regular (i.e., non-voter-approved) property tax levy cannot be more than 1 percent above the highest one year amount collected in the prior three years. Taxing districts may exceed this 1 percent cap if the voters in the district approve a "lid lift" which allows voters in a district to agree to tax themselves above the lid.

Prior to 2003 lid lifts were limited to one year. In 2003 the Legislature authorized counties, cities, and towns to seek voter approval for multiyear lid lifts for up to six consecutive years. In 2007, the Legislature, through the enactment of ESB 5498 (C 380 L 07), extended multiyear lid lift authority to all taxing districts. ESB5498 also made non-substantive, technical changes to the lid lift statute.

Prior to the passage of ESB 5498, a multiyear lid lift's levy base increase was presumed temporary unless the ballot measure explicitly made the increase permanent. After ESB 5498 became effective, the Department of Revenue (Department) modified its interpretation regarding the temporary or permanent nature of the levy base increase for multiyear lid lifts. A multiyear lid lift ballot proposition is now interpreted to permanently increase a taxing district's levy base unless the increase is limited in duration in the ballot measure. The Department's modified interpretation of the lid lift statute did not change the default rule for singleyear lid lifts. The default rule for singleyear lid lifts is that the levy base

increase is permanent unless explicitly limited in the ballot proposition.

Summary: Taxing districts are required to explicitly indicate in a ballot proposition for both multiyear and single year lid lifts that the district's levy base will be permanently increased. If the ballot proposition does not expressly indicate that the final levy will be used for the purpose of computing subsequent levies, the levy increase is presumed temporary.

Votes on Final Passage:

Senate	49	0
House	93	0

Effective: April 1, 2008

SB 6657
C 175 L 08

Including salary bonuses for individuals certified by the national board for professional teaching standards as earnable compensation.

By Senators Murray, Fraser and Rasmussen; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means

Background: Teachers who obtain certification from the National Board for Professional Teaching Standards (NBPTS) are entitled to an annual bonus created by Chapter 398, Laws of 2007 (2SHB 2262). The basic bonus amount is \$5,000 for the 2007-08 school year, which is to be increased annually to keep pace with inflation. An additional bonus of \$5,000 is available to NBPTS-certified teachers working in a school in which at least 70 percent of the students qualify for the free and reduced-price lunch program.

The bonuses paid to teachers for NBPTS certification are specifically excluded from the definition of base salary in the Teachers' Retirement System (TRS). This means that the bonuses cannot increase the value of a teacher's retirement allowance, and also means that teachers that earn the bonuses do not make additional retirement system contributions due to the additional income that they receive from the bonuses.

Summary: The definition of salary used in the Plans 1, 2, and 3 of the Teachers' Retirement System (TRS 1, 2, and 3) is amended to allow the inclusion of bonuses paid to teachers certified by the National Board for Professional Teaching Standards (NBPTS). Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

Votes on Final Passage:

Senate	49	0
House	85	12

Effective: June 12, 2008

ESB 6663
C 86 L 08

Improving tax program administration by correcting, clarifying, eliminating, repealing, and decodifying statutes related to the department of revenue.

By Senators Schoesler, Pridemore, Roach, Zarelli, Holmquist, Keiser and Kohl-Welles.

Senate Committee on Ways & Means
House Committee on Finance

Background: When legislation is enacted, it frequently contains references to other statutes. These references may become erroneous due to changes made to the referenced statutes by other legislation enacted during the same legislative session. In addition, statutes sometimes include provisions that are limited in time. These provisions become obsolete with the passage of time.

From time to time, statutory revisions are made for the purpose of increasing clarity or improving administration.

Summary: Technical corrections are made to various provisions of the tax code by: (1) simplifying the tax code by repealing several obsolete provisions and removing extraneous language; and (2) clarifying statutory provisions.

Local Sales & Use Taxes. Eliminates obsolete language including: contingencies which occurred; references to the motor vehicle excise tax revenue distributions; dates which have passed; and references to the Safeco stadium contract provisions which are obsolete.

Litter Tax Study. Removes the requirement that the Department of Revenue (DOR) conduct a litter tax study to evaluate collections and enforcement. Recent studies have shown a high rate of compliance.

Cigarette Tax. Deletes statutory references to "mills" per cigarette, replacing it with "cents."

Leasehold Excise Tax. Deletes obsolete language relating to 2001-03 biennium account transfers. Repeals obsolete statute concerning cancellation of taxes levied for collection in 1976 and decodifies related severability and effective date sections.

Property Tax. Removes references in RCW 84.09.030 to the obsolete dates for establishing property tax district boundaries, deleting statutory references to dates earlier than August 1.

Removes the requirement for DOR to compute a hypothetical state property tax levy without regard to the reduction of state property tax levy for collection in 1996.

Votes on Final Passage:

Senate 48 0
House 96 0

Effective: June 12, 2008

ESSB 6665
PARTIAL VETO
C 320 L 08

Regarding the intensive case management and integrated crisis response pilot programs.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Stevens and Marr).

Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means
House Committee on Human Services
House Committee on Appropriations

Background: In 2005 the Legislature passed E2SSB 5763 (omnibus treatment of mental and substance abuse disorders act; C 504 L 05 PV). In addition to other items, this legislation established two different types of pilot programs designed to serve people with mental illness and/or chemical dependency. The pilot programs expire as of June 30, 2008. These programs were funded by the Legislature through the 2005-07 biennium and for the first fiscal year of the 2007-09 biennium, in accordance with their expiration date.

Integrated Crisis Response (ICR) Pilot Program.

The ICR pilot program uses a different type of civil commitment option limited to the pilot program areas. This civil commitment can be used to order the involuntary treatment of an individual who is gravely disabled or a danger to self or others due to chemical dependency and/or both chemical dependency and mental illness. Funding for the ICR programs covers: (1) secure detoxification centers that offer a chemical dependency commitment alternative; and (2) designated crisis responders who are trained in both mental illness and chemical dependency disorders to act as first crisis responders.

The Department of Social and Health Services (DSHS) contracted for the ICR program in Pierce County and in Sedro Woolley (North Sound Regional Support Network). A final evaluation of the ICR programs by the Washington State Institute for Public Policy (WSIPP) is due by September 30, 2008.

Intensive Case Management (ICM) Pilot Program.

In addition to the ICR pilot programs, E2SSB 5763 required DSHS to contract with two counties to provide intensive case management for chemically dependent persons with a history of high utilization of crisis services, such as hospital emergency rooms. Case managers for the ICM programs do outreach and connect individuals to treatment, housing, and support services. The two contracted sites are King County and Thurston/Mason Counties.

Summary: The expiration dates are removed from the ICR and ICM pilot programs. These programs are made contingent on funding provided in the biennial budget. DSHS may contract for additional pilot sites, subject to funding provided for that specific purpose. The final evaluation date for the pilots are extended to June 30, 2010, with a progress evaluation on June 30, 2008.

The ICR pilot program is updated to allow for a 60-day less restrictive treatment order to be imposed following a patient's release from the secure detox center. Patients violating conditions of the less restrictive order may be returned to the secure detox center for up to 14 days. A definition of "imminent" is added to Chapter 70.96B RCW, and rules for granting of continuances are provided.

Votes on Final Passage:

Senate 45 0
House 93 0 (House amended)
Senate (Senate refused to concur)
House 97 0 (House amended)
Senate 49 0 (Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The provisions allowing DSHS to contract for additional Integrated Crisis Response and Intensive Case Management pilot sites if funding is provided for that specific purpose are removed.

VETO MESSAGE ON ESSB 6665

April 1, 2008

*To the Honorable President and Members,
The Senate of the State of Washington*

Ladies and Gentlemen:

I am returning, without my approval as to Section 4, Engrossed Substitute Senate Bill 6665 entitled:

“AN ACT Relating to the intensive case management and integrated response pilot programs.”

This bill extends the life of two pilot programs authorized by the Legislature in 2005, the Intensive Case Management and the Integrated Crisis Response pilots. Section 4 provides the Department of Social and Health Services with the authority to expand the number of intensive crisis response pilots. Vetoing this section allows time for the Washington State Institute for Public Policy to adequately study the effectiveness of these programs prior to making a determination on whether to expand their availability.

For these reasons, I have vetoed Section 4 of Engrossed Substitute Senate Bill 6665.

With the exception of Section 4, Engrossed Substitute Senate Bill 6665 is approved.

Respectfully submitted,



*Christine Gregoire
Governor*

E2SSB 6673

PARTIAL VETO

C 321 L 08

Creating learning opportunities.

By Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, Brandland, Hobbs, McDermott, Rasmussen, Weinstein, Oemig, Tom, Kauffman, Hargrove, Fairley, Franklin and Shin; by request of Superintendent of Public Instruction).

Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means
House Committee on Education
House Committee on Appropriations

Background: Beginning with the class of 2008, a student may graduate from high school with a Certificate of Academic Achievement (CAA) if they successfully complete four state requirements:

- (1) earn the 19 minimum course requirements established by the state (and any additional local school district requirements);
- (2) meet the state standard on the reading, writing, and mathematics WASL or an approved alternative assessment;
- (3) complete a culminating project; and
- (4) create a high school and beyond plan.

Until 2013 a student may graduate from high school without a CAA if they successfully complete the four state requirements except for meeting the state mathematics' standard on the WASL. Those students must then earn two additional credits in mathematics in order to graduate. Student learning plans are required to be developed for students in grades 8-12 who are not successful on any or all of the content areas of the WASL. The plans must include the courses, competencies, and other steps needed to be taken by the student to meet the state academic standards and stay on track for graduation.

The Learning Assistance Program (LAP) is a state-funded program to assist students who are underachieving in academic basic skills using authorized services and activities. The Professional Educator Standards Board (PESB) establishes policies and practices for education preparation and certification programs. Last session, the Legislature created the Washington College Bound Scholarship to cover the costs of college tuition

fees and books for low-income students who sign a pledge in seventh or eighth grade promising to graduate from high school and demonstrate good citizenship.

Summary: The Extended Learning Opportunities program (Program) is created for students who are not on track to meet the state or local high school graduation requirements. A list of possible types of instructional services, and times and locations of the instructional services, are provided, including reading specialists at the educational service districts (ESDs) to provide professional development to educators and direct services to eligible students, and continued enrollment in the school districts for twelfth grade students. LAP funds may be used to provide these instructional services. Additionally, a LAP enhancement is created for school districts that have 20 percent or more students in the bilingual program and 40 percent or more eligible for free or reduced lunch. The required information in student learning plans is expanded to include graduation status and other specified information and must be translated into the primary language of the family, if feasible.

If funds are provided, the Superintendent of Public Instruction (SPI) must explore on-line curriculum support currently available in languages other than English, and recommend to the Legislature by December 1, 2008, on-line programs in other languages that would most appropriately assist Washington's English language learners.

The ESDs must develop and provide a program of outreach to community-based programs and organizations serving non-English populations, low-income, and special education students. The ESDs must consult and coordinate with the Governor's minority commissions and the Office of Indian Affairs in conducting the outreach and are encouraged to partner with business. The purpose of the outreach is to inform and engage students in the educational opportunities available under this act.

The PESB must convene a work group to develop recommendations for increasing teacher knowledge, skills, and competencies to address the needs of English language learners. The work group must include specified representatives, and must include members from diverse cultural backgrounds and a balanced geographic representation. By December 1, 2008, a report must be provided identifying gaps and weaknesses in the current standards for teacher preparation and teacher competencies related to language acquisition and cultural competencies.

Students who are in the eighth grade during the College Bound Scholarship's first year will have two years within which to learn about and sign up for the scholarship, as is already allowed for students in all subsequent years. Subject to funds being appropriated, the SPI must provide for school districts to provide all tenth graders the option to take the PSAT (Preliminary Scholastic Assessment Test) at no cost to the students.

If funding is provided, SPI must allocate grants for summer exploratory career and technical education programs in mathematics, science, and technology in middle and high schools.

Subject to funding, SPI must contract with a national organization to establish and operate a geography endowment in Washington. The organization must provide equal matching funds to the state funds provided. The funds and interest on the endowment must be used for geography education programs, including curriculum, resource collections, and professional development. SPI will annually report on the program.

SPI must allocate funds appropriated in the budget in specified amounts to support implementation of specific sections of 2SSB 6377 (C 170 L 08 PV) addressing career and technical education.

Votes on Final Passage:

Senate	48	0	
House	92	1	(House amended)
Senate			(Senate refused to concur)
House	96	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The requirement for ESDs to develop and provide a program of outreach to community-based programs and organizations serving non-English populations, low-income, and special education students is removed. The provision requiring school districts to provide all tenth graders the option to take the PSAT at no cost to the students is removed. The grants for summer exploratory career and technical education programs in mathematics, science, and technology in middle and high schools are removed. The requirement that SPI contract with a national organization to establish and operate a geography endowment and annually report on the program is removed.

VETO MESSAGE ON E2SSB 6673

April 1, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 6, 11, 12 and 13, Engrossed Second Substitute Senate Bill 6673 entitled:

“AN ACT Relating to learning opportunities to assist students to obtain a high school diploma.”

Engrossed Second Substitute Senate Bill 6673 provides support for students in need of additional time or assistance to meet state academic standards and graduation requirements. Key components of this bill enhance the Learning Assistance Program, assure parent notification of student progress, and explore on-line curriculum support in languages other than English and build teacher instructional capacity. This bill also creates a number of new programs.

Section 6 creates a new duty for school districts to provide all tenth graders enrolled in the district the option of taking the PSAT at no cost to the student. While this test may provide students some information regarding their readiness for the SAT and college preparedness, there has not been coordination with

the other college readiness assessment work already in progress, specifically work being done in mathematics.

Section 11 directs Educational Service Districts to develop and provide a program of outreach to community-based programs and organizations that are serving non-English speaking segments of the population as well as those programs that target groups of students who are struggling academically. This is an idea that should be considered within the context of the several studies, due this December, that will analyze and make recommendations on how to close the achievement gap.

Section 12 directs the Office of the Superintendent of Public Instruction to allocate grant funds to school districts to provide summer school funding for all middle and high school students to explore career opportunities rich in math, science, and technology. School districts and skills centers should be finding ways to engage students in learning and career exploration as part of their basic missions. One exciting opportunity initiated in 2006 is the Washington Aerospace Scholars, a statewide partnership through the Washington Aerospace Scholars Foundation with The Museum of Flight, schools and business partners. The program gives high school students the opportunity to participate in hands-on engineering activities; tour facilities at Boeing, the University of Washington, Microsoft, and Battelle; receive mentoring from astronauts, pilots, engineers, and scientists; and conduct a project on Mars exploration. Future funds need to support targeted programs that have been proven effective.

Section 13 directs the Office of the Superintendent of Public Instruction to contract with a national organization to establish and operate an endowment for the promotion of geography education. There are no funds provided for the creation of the endowment program.

For these reasons, I am vetoing Sections 6, 11, 12 and 13 of Engrossed Second Substitute Senate Bill 6673.

With the exception of Sections 6, 11, 12 and 13, Engrossed Second Substitute Senate Bill 6673 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SB 6677
C 79 L 08

Changing the composition of the board of directors of the Washington materials management and financing authority.

By Senators Fraser, Roach, Fairley and McCaslin; by request of State Treasurer.

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: The Washington Materials Management and Financing Authority (authority) is a public body and an instrument of Washington. The authority plans and implements an electronic product collection, transportation, and recycling program for manufactures of covered electronic products. Covered electronic products include: all computer monitors, personal computers, and televisions sold to consumers for personal use. All administrative and operational costs associated with the

collection, transportation, and recycling of covered electronic products is paid by participating manufacturers. Manufacturers offering covered electronic products for sale in Washington register annually with the Department of Ecology.

The authority is governed by a board of directors (board), comprised of 11 members of participating manufacturers. The board has representation from both television and computer manufacturers. Additionally, the board is composed of three ex officio members: the directors of, the Department of Community, Trade and Economic Development; the Department of Ecology; and the State Treasurer. The agency directors and the State Treasurer may designate an employee of their department to act in their behalf.

Summary: The State Treasurer as an ex officio member and the State Treasurer's authority to designate someone to act on his or her behalf is removed.

Votes on Final Passage:

Senate	42	1
House	96	0

Effective: June 12, 2008

SSB 6678

C 72 L 08

Authorizing the issuance of special license plates to parents of United States armed forces members who have died while in service to his or her country or as a result of such service.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Prentice, Hobbs, Swecker, McCaslin, Brandland, Spanel, Jacobsen, Oemig, Fairley, Franklin, Fraser, King, Eide, Marr, Brown, Carrell, Berkey, Hatfield, Rasmussen, Rockefeller, Regala, Pridemore, Tom, Sheldon, Hargrove, Weinstein, Shin, Parlette, Murray, McAuliffe, Stevens, Kohl-Welles, Roach and Holmquist).

Senate Committee on Transportation

House Committee on Transportation

Background: The Department of Licensing (DOL) issues special vehicle license plates that can be used in lieu of standard plates. A governmental or nonprofit organization seeking to sponsor a special plate either makes application with the special license plate review board, or requests legislation to create the special plate. The organization seeking to sponsor the special plate is required to reimburse DOL for the costs associated with establishing the new special plate. The Legislature has declared a moratorium on the issuance of new plates until June 30, 2009.

DOL may issue one set of special license plates to certain Pearl Harbor survivors at no cost above the standard licensing fees.

Summary: DOL may issue special license plates to mothers and fathers of armed forces members who died while in service to their country or as a result of that service. The Department of Veterans Affairs will certify those who are eligible. This act is exempt from the requirement that DOL be reimbursed for the costs associated with establishing the new special plate as well as the moratorium on the issuance of new plates.

Votes on Final Passage:

Senate	47	0
House	94	0

Effective: June 12, 2008

SB 6685

C 39 L 08

Regarding the ethical use of e-mail for legislative updates.

By Senators Pflug, Tom, Roach, Fairley, Jacobsen, Marr, Hobbs, Kilmer, Rockefeller, Kohl-Welles, Delvin, Hewitt, Brown, Swecker, Weinstein, Morton, Kline, Parlette, Pridemore, McDermott, Benton, Brandland and Honeyford.

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: Twelve months prior to a general election continuing through November 30 following the general election, members of the legislature may not mail constituents a letter, newsletter, brochure, or other pieces of literature with two exceptions: (1) two newsletters; and (2) individual letters. With each mailing, the newsletter contents must be identical and be mailed at established times; the two newsletters may be different from each other. The legislator may mail an individual letter when: responding to a constituent who has contacted the legislator regarding a subject that the letter addresses; an individual constituent holds a government office with jurisdiction over the subject matter of the letter; and an individual constituent has received an award or honor of extraordinary distinction. The prohibition on mailing includes electronic mail.

A person who resides outside of the legislative district represented by the legislator is not a constituent.

Summary: Legislators may provide constituents with electronic mail updates on legislative matters throughout the legislative session up until 30 days from the conclusion of the legislative session. Legislative updates may be provided when constituents indicate they want to receive updates.

Votes on Final Passage:

Senate 46 1
House 93 0

Effective: June 12, 2008

SSB 6710

C 155 L 08

Modifying the fire protection standards for hospitals.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Keiser and Marr; by request of Washington State Patrol).

Senate Committee on Labor, Commerce, Research & Development

House Committee on Health Care & Wellness

House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: The Chief of the Washington State Patrol (WSP), through the Director of Fire Protection, sets and enforces standards for fire protection as they relate to all licensed hospitals. Hospital fire protection and enforcement standards must be consistent with standards adopted by the federal centers for Medicare and Medicaid services for hospitals that care for Medicare or Medicaid beneficiaries. The Chief of the WSP, through the Director of Fire Protection, must inspect hospitals at least once a year.

The state Director of Fire Protection administers licensing and certification requirements, and sets license and certificate fees for fire sprinkler contractors and fire sprinkler certificate of competency holders. These fees are deposited into the Fire Protection Contractor License Fund. This fund is used only for purposes of licensing and regulating fire protection sprinkler system contractors and assisting in identifying fire sprinkler system components subject to recalls or voluntary replacement programs, as well as for licensing and regulating fire protection sprinkler system contractors.

Summary: The requirement that the Chief of the WSP conduct inspections of hospitals every 12 months is extended to an average of every 18 months. The standard used for inspecting an existing hospital, or portion of an existing hospital, must be the standards used for existing buildings and not the standards used for new construction.

The Chief of the WSP, through the Director of Fire Protection (Director), must inspect a hospital during the inspection conducted by the Department of Health (DOH). DOH must incorporate the written report from the Director into DOH's final inspection report. Applicants or licensees must submit their corrections to comply with the fire protection standards along with any other licensing inspection to DOH. The Director may reinspect the premises if extensive and serious

corrections are required. The Director must utilize the scope and severity matrix developed by the centers of Medicare and Medicaid services when determining what corrections will require a reinspection. Inspections conducted by the joint commission are deemed equivalent to an inspection by the Chief of the WSP, through the Director.

The purposes for which the Fire Protection Contractor License Fund may be used are broadened to include the standards set for fire protection and its enforcement with respect to all hospitals.

Votes on Final Passage:

Senate 47 0
House 96 0

Effective: June 12, 2008

SSB 6711

C 322 L 08

Creating the smart homeownership choices program.

By Senate Committee on Consumer Protection & Housing (originally sponsored by Senators Kauffman, Kilmer, Kohl-Welles, Keiser and Kline).

Senate Committee on Consumer Protection & Housing

Senate Committee on Ways & Means

House Committee on Insurance, Financial Services & Consumer Protection

House Committee on Appropriations

Background: In September of 2007 the Governor convened the Task Force for Homeowner Security to evaluate instability in the national subprime mortgage market and to make recommendations to minimize the impact of this national trend in Washington.

As one of its many recommendations, the Task Force recommended providing grants or loans to assist low- and moderate-income homeowners who are delinquent on their mortgage payments, to bring their loan current to be eligible to refinance into a different loan product.

Draft legislation creating the Smart Homeownership Choices program was submitted as part of the final task force report in December 2007.

Summary: The Smart Homeownership Choices program is created to assist low- and moderate-income households facing foreclosure.

The program is created within the Department of Financial Institutions, administered by the Washington State Housing Finance Commission (Commission).

The Commission will assist homeowners who are delinquent on their mortgage payments to bring their mortgage payments current in order to refinance into a different loan product. Homeowners must repay any funds received at the time of refinancing, and the homeowner must participate in a mortgage counseling program.

Funds may also be used for outreach activities to raise awareness of the program.

The Smart Homeownership Choices account is created in the custody of the State Treasurer. State appropriated funds may be used only to serve low-income households. Contributions from private and other sources may be used to serve both low-and moderate-income households.

Votes on Final Passage:

Senate	48	0	
House	58	36	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

SB 6717
C 218 L 08

Increasing public utility district commissioner salaries.

By Senators Hatfield, Pridemore, Sheldon, Hobbs, Berkey, Fairley, McDermott and Delvin.

Senate Committee on Government Operations & Elections

House Committee on Local Government

Background: Commissioners of public utility districts (PUDs) currently receive a salary of \$1,000 per month during a calendar year if the district received total gross revenue of over \$15 million during the fiscal year ending June 30. The board of commissioners of the district may pass a resolution increasing the salary rate up to \$1,300 per month.

Commissioners of PUDs currently receive a salary of \$700 per month during a calendar year if the district received total gross revenue of between \$2 million and \$15 million during the fiscal year ending June 30. The board of commissioners of the district may pass a resolution increasing the salary rate up to \$900 per month.

Commissioners of other districts serve without salaries. However, the board of commissioners of the district may pass a resolution providing for salaries not exceeding \$400 per month for each commissioner.

Summary: Commissioners of PUDs receive a salary of \$1,400 per month during a calendar year if the district received total gross revenue of over \$15 million during the fiscal year ending June 30. The board of commissioners of the district may pass a resolution increasing the salary rate up to \$1,800 per month.

Commissioners of PUDs receive a salary of \$1,000 per month during a calendar year if the district received total gross revenue of between \$2 million and \$15 million during the fiscal year ending June 30. The board of commissioners of the district may pass a resolution increasing the salary rate up to \$1,300 per month.

Commissioners of other districts must serve without salaries. However, the board of commissioners of the district may pass a resolution providing for salaries not exceeding \$600 per month for each commissioner.

Votes on Final Passage:

Senate	39	9
House	93	2

Effective: June 12, 2008

SB 6722
C 106 L 08

Creating the cleanup settlement account.

By Senators Regala, Delvin, Schoesler, Pridemore and Shin; by request of Department of Ecology.

Senate Committee on Ways & Means

House Committee on Appropriations

Background: The Model Toxics Control Act (MTCA) was approved by Washington voters as an initiative in 1988 to provide a regulatory structure, standards, and funding source to clean up contaminated properties and to prevent the creation of future hazardous waste sites. The MTCA created a tax on hazardous substances, primarily petroleum-based products. The tax is distributed into two accounts: the State Toxics Control Account and the Local Toxics Control Account.

The State Toxics Control Account receives funds from: (1) the hazardous substance tax; (2) the costs of remedial actions recovered by the DOE (DOE); (3) penalties collected or recovered; and (4) any other money appropriated or transferred by the Legislature. The funds are used for hazardous-waste cleanup; hazardous- and solid-waste planning, management, regulation, and enforcement; and financial assistance for local programs.

The MTCA requires potentially liable persons to assume responsibility for cleaning up contaminated sites. DOE oversees cleanup work performed by liable parties or conducts cleanups and recovers its costs for the work. In cases where a company does not have the financial means to pay the full cleanup costs, the DOE – working with the Attorney General's Office – can agree to a settlement in which the liable party contributes money for future cleanup work in exchange for settling its liability.

Summary: A new appropriated account, the Cleanup Settlement Account, is created in the State Treasury. The account will receive deposits from settlement agreements and court orders that direct payment to the state to resolve a company's liability or potential liability for polluting a specific site. The funds will be used to pay for state-conducted cleanup work at those sites, or to assess and address damage to natural resources caused by pollution at the sites.

The account will receive its proportionate share of interest earnings.

The DOE is directed to track money received, interest earned, and expenditures made for each site individually.

Votes on Final Passage:

Senate	49	0	
House	96	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008
July 1, 2008 (Section 3)
July 1, 2009 (Section 4)

SSB 6726
C 176 L 08

Granting the professional educator standards board ongoing authority to establish professional-level certification assessments and performance standards.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Tom, McAuliffe and Rasmussen).

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: In 2002 the Legislature authorized the Professional Educator Standards Board (PESB) to contract for assessments to determine the basic skills and subject knowledge of teacher certification applicants, with the applicant fee to be paid directly to the contractor.

In 2007 the Legislature directed the PESB to set performance standards and implement a uniform and externally administered professional-level certification assessment based on demonstrated teaching skills. However, the language was not codified and did not amend the section of the law that authorizes the PESB to contract for the assessment and permit the collection of fees by the contractor.

Summary: The exact language that was passed last session is codified. The PESB must implement the uniform and externally administered professional-level certification assessment by January 2010. Additionally, the PESB is authorized to contract for the professional-level certification assessment and permit the collection of fees charged to be paid directly to the contractor.

Votes on Final Passage:

Senate	48	0	
House	93	1	

Effective: June 12, 2008

2SSB 6732
PARTIAL VETO
C 120 L 08

Implementing the recommendations of the joint legislative task force on the underground economy in the construction industry.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Kline, Keiser, Marr, Murray, Hobbs, Regala, Tom, Oemig and Fairley).

Senate Committee on Labor, Commerce, Research & Development

Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on Appropriations

Background: In 2007 the Legislature enacted SB 5926 (C 288 L 07) relating to the underground economy in the construction industry. The act created the Joint Legislative Task Force on the Underground Economy in the Construction Industry (Task Force) to formulate a state policy to establish cohesion and transparency between state agencies to increase oversight and regulation of the underground economy practices in the construction industry.

At its final meeting in 2007, the Task Force developed a list of recommendations for legislative and budgetary action during the 2008 Legislative Session. The recommendations included items relating to penalties, data-sharing and detection, enforcement, and education and outreach activities. A report listing the Task Force's findings and recommendations will be distributed to the Legislature in January 2008.

Summary: Applicants for registration as a contractor must submit a unified business identifier (UBI) number. The Department of Labor and Industries (L&I) must deny an application for registration as a contractor and suspend an active registration if L&I determines that the applicant has falsified information on the application or the applicant does not have an active and valid certificate of registration with the Department of Revenue (DOR). Additionally, a person who submits false information on an application for registration is subject to a penalty of up to \$10,000.

A contractor is prohibited from bidding on public works projects for one year if, within a five year period, the contractor commits two violations of any of the following: willfully violates contractor registration laws; knowingly misrepresents the amount of his or her payroll or employee hours to L&I; engages in business without a certificate of coverage under the industrial insurance provisions; or commits a second violation of the contractor registration laws.

Employers must keep records of the compensation paid to contractors and electricians with whom they contract. Government agencies may disclose records

between themselves if the agencies would be otherwise permitted to obtain that information.

L&I must add staff to the Fraud Audit Infraction and Revenue contractor fraud team and both L&I and the Employment Security Department must hire additional auditors. If funds are available, funding must be dedicated to the Office of the Attorney General for contractor compliance cases.

An expanded social marketing campaign must be created to warn consumers of the risks and potential consequences of hiring unregistered contractors.

A pilot project must be established between L&I and local jurisdictions to explore ways to improve the collection and sharing of building permit information.

The term of the Task Force is extended to December 31, 2008.

Votes on Final Passage:

Senate	48	0	
House	94	2	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The provisions requiring L&I and the Employment Security Department to hire additional staff are removed. The requirement that funding be dedicated to the Office of the Attorney General for contractor compliance cases is removed. The requirement that L&I and local jurisdictions establish a pilot project to improve the collection and sharing of building permit information is removed.

VETO MESSAGE ON 2SSB 6732

March 21, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 11 and 13, Second Substitute Senate Bill 6732 entitled:

“AN ACT Relating to implementing the recommendations of the joint legislative task force on the underground economy in the construction industry.”

This bill provides precise tools to both the Department of Labor and Industries and the Employment Security Department to crack down on the underground construction economy. This legislation strengthens the ability of the two departments to enforce the statutes most frequently violated by unregistered contractors. It also provides the enforcement staff and the penalties necessary to make an impact on the underground construction economy.

Section 11 directs the Department of Labor and Industries to hire three staff members, including a working supervisor. While it is understandable that the Legislature wishes to make clear its intent regarding the Department's enforcement staff, specific reporting relationships and staffing levels are decisions best left to the Department and its management. The underlying strategies and tools described in the bill as a whole depend upon increased staffing in the Department's fraud audit infraction and revenue team. Therefore, I am directing the Department of Labor and Industries to hire investigative staff, consistent with the legislative appropriation provided for implementation of this bill, to carry out the activities and functions necessary to curb the activities of the underground construction economy.

Section 13 directs the Department of Labor and Industries to establish a pilot program with local jurisdictions surrounding the collection and sharing of building permit information. The intent and makeup of this study is unclear and the language provides little direction as to the nature of the pilot project. Since the pilot was intended to run until the end of 2014, I believe the legislature can revisit this idea in the next session.

For these reasons, I have vetoed Sections 11 and 13 of Second Substitute Senate Bill 6732.

With the exception of Sections 11 and 13, Second Substitute Senate Bill 6732 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SB 6739

C 156 L 08

Granting authority to psychiatric advanced registered nurse practitioners.

By Senators Franklin, Prentice, Marr and Jacobsen.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Advanced registered nurse practitioners (ARNPs) are registered nurses with additional formal specialized training in areas such as pediatrics, midwifery, geriatrics anesthesiology, and psychiatry. ARNPs function more independently than registered nurses and assume primary responsibility and accountability for care of their patients. An ARNP can examine patients and establish medical diagnoses, admit patients to health care facilities, order and interpret lab tests, implement a plan of care for patients, prescribe medications, and refer clients to other health care practitioners or facilities.

The Washington Nursing Care Quality Assurance Commission recognizes a specialty designation for psychiatric nurse practitioners or clinical specialists in psychiatric-mental health nursing.

Individuals suffering from mental illness who are found to be gravely disabled or present a likelihood of serious harm have the right to refuse anti-psychotic medication unless it is determined that: (1) the failure to medicate may: (a) result in a likelihood of serious harm; (b) result in substantial deterioration; or (c) substantially prolong the length of involuntary commitment; and (2) there is no less intrusive course of treatment than medication in the best interest of the person. The Department of Social and Health Services (department) must adopt rules to address these issues which include an attempt to gain the informed consent of the patient, and the right to refuse anti-psychotic medications for up to 30 days unless there is an additional concurring medical opinion approving medication.

A court can appoint a psychiatrist, psychologist, or physician to examine and testify on behalf of a person who is involuntarily detained. A court must appoint a psychiatrist, psychologist, or physician to testify on behalf of a person involuntarily detained where an order for electroconvulsant therapy is being sought.

Summary: A psychiatric advanced registered nurse practitioner is permitted to admit a person to be examined or treated as a patient in a hospital. A psychiatrist, psychiatric advanced registered nurse practitioner, or physician in consultation with a mental health professional with prescriptive authority can provide the concurring medical opinion allowing for administration of anti-psychotic medication when a patient has the right to refuse such medication. A psychiatric advanced registered nurse practitioner can, as an alternative to a physician, offer an opinion as to whether a person's condition constitutes an emergency requiring treatment prior to obtaining a second medical opinion.

A psychiatric advanced registered nurse practitioner is added to the list of health professionals from which a court can appoint, to examine and testify on behalf of a person who is involuntarily detained. A psychiatric advanced registered nurse practitioner is added to the same list of health professionals from which a court must appoint, to testify if an order for electroconvulsant therapy is sought.

Votes on Final Passage:

Senate	45	0	
House	93	0	(House amended)
Senate	44	0	(Senate concurred)

Effective: June 12, 2008

SB 6740
C 107 L 08

Regarding the provision of teacher certification services.

By Senators Regala, King, McAuliffe and Rasmussen.

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: All nine of the Educational Service Districts (ESDs) currently provide technical assistance, applications, and application processing for teacher, administrator, and educational staff associate certification.

Under current law, the fees paid by individuals to obtain an educator certificate are used to support and evaluate educator preparation programs, and to support and evaluate professional development in-service programs. Under the rules of the Professional Educator Standards Board, the fees are divided so that half of the fee amount supports each of the two types of programs.

Summary: An additional use for fees collected for educator certification is added to permit a portion of the fees to be used for the provision of certification services provided by the ESDs.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008

SSB 6743
PARTIAL VETO
C 220 L 08

Regarding educational guidelines for parents and educators of students with autism.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Rasmussen, McAuliffe, Tom and Shin).

Senate Committee on Early Learning & K-12 Education
House Committee on Education
House Committee on Appropriations Subcommittee on Education

Background: Under the Individuals with Disabilities Education Act (IDEA), the federal government requires special education teachers to be highly qualified. "Highly qualified" means that the individual has met specific certification and licensure requirements. Washington State has adopted the federal standard. In addition, Washington also requires that special education teachers providing, designing, supervising, monitoring, or evaluating the provision of special education, possess substantial professional training. This requirement subjects a special education teacher to additional training requirements. However, under current law, neither IDEA nor Washington require teachers to receive instruction specific to autism awareness, and methods of teaching students with autism.

Summary: By September 1, 2008, subject to appropriated funds:

- The Office of the Superintendent of Public Instruction (OSPI) must print and distribute the Autism Guidebook (Guidebook) as developed by the Caring for Washington Individuals with Autism Task Force and make the Guidebook and other relevant materials available on the OSPI web site. OSPI must provide copies of the Guidebook to Educational Service Districts, school districts, and other interested parties who request copies. The Guidebook must include specified guidelines to address the unique needs of children with autism.
- OSPI, in collaboration with other specified organizations, must distribute information on child find responsibilities per IDEA to agencies, districts, and

schools that participate in the location, evaluation, and identification of children who may be eligible for early intervention services or special education services.

- OSPI, in collaboration with specified organizations, must develop posters to be distributed to medical offices and clinics, grocery stores, and other public places with information on autism and contact information for services and support. These materials must be made available on the Internet.

By December 1, 2008, the Professional Educator Standards Board (PESB) and OSPI, in collaboration with other specified organizations, must develop recommendations for autism awareness instruction and methods of teaching students with autism for all educator preparation and professional development programs. The recommendations must be submitted to the Governor and the education committees of the Legislature and must be made available to school districts on OSPI's web site.

If approved by the Legislature, each school district must use the recommendations developed by OSPI to develop and adopt a school district policy regarding recommended and required professional development for teachers and appropriate classified staff by July 1, 2009.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The provisions requiring OSPI to print and distribute the Autism Guidebook by September 1, 2008, are removed. The requirement that PESB and OSPI, in collaboration with specified organizations, develop recommendations for autism awareness instruction for all educator preparation and professional development programs is removed. The requirement that each district use the recommendations to develop and adopt a school district policy regarding required teacher and classified staff training is removed.

VETO MESSAGE ON SSB 6743

March 28, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 1, Substitute Senate Bill 6743 entitled:

“AN ACT Relating to autism awareness instruction for teachers of students with autism.”

This bill provides for training and guidelines for teachers of students with autism.

Section 1 includes an extensive listing of items for an autism guidebook that is being developed by the Caring for Washington Individuals with Autism Task Force with staff support from the Department of Health. These items are very specific regarding possible strategies and activities that could be included to support children with autism in our public schools.

The OSPI already has a guide developed as a resource for both educators and parents, produced by the Autism Outreach Project, which maintains an informational web site as well as an e-mail address for communication with individuals with specific questions and concerns. I believe that this guide is the most appropriate document to address the many issues raised in Section 1.

Therefore, I have asked the OSPI to update its guide and to emphasize tools for parents to use. I have also asked that this updated guide be distributed to educational service districts, school districts, appropriate school employees and parent advocacy groups.

Additionally, I have asked the Professional Educator Standards Board and the OSPI to develop recommendations for autism awareness instruction and methods of teaching students with autism that will strengthen learning for students. The recommendations will address appropriate content in teacher preparation and professional development. These reports will be completed by December 1, 2008.

For these reasons, I am vetoing Section 1 of Substitute Senate Bill 6743.

With the exception of Section 1, Substitute Senate Bill 6743 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SSB 6751

C 323 L 08

Allowing individuals who left work to enter certain apprenticeship programs to receive unemployment insurance benefits.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Roach, Pridemore, McDermott, Keiser, Franklin and Kline).

Senate Committee on Labor, Commerce, Research & Development

House Committee on Commerce & Labor

Background: Under Washington's unemployment compensation law, an individual is eligible to receive unemployment benefits if they: (1) worked at least 680 hours in covered employment in the base year; (2) are separated from employment through no fault of their own or leave work for good cause; and (3) are able to work and are actively searching for suitable work.

There are ten "good cause" provisions established in unemployment compensation law: to accept other work; illness or disability, so long as the individual is not entitled to reinstatement; to relocate for the spouse's mandatory military transfer; to protect the claimant or an immediate family member from domestic violence; a reduction of 25 percent or more in compensation; a reduction of 25 percent or more in hours; a change in the worksite that causes increased distance or difficulty of travel; deterioration of work site safety; illegal activities

in the worksite; or a change in the individual's usual work that violates his or her religious convictions or sincere beliefs.

Employers are required to pay contributions (payroll taxes) to finance unemployment benefits, unless they are exempt from coverage or reimburse the Employment Security Department for benefits paid to their former workers. Contribution rates are based, in part, on layoff experience and benefits charged to employers' experience rating accounts. Some benefits are pooled within the unemployment system. These "socialized costs" include "noncharged benefits."

Summary: An additional "good cause" is established, covering individuals who left work to enter an apprenticeship program approved by the Washington State Apprenticeship Training Council.

Benefits paid to such individuals are payable beginning Sunday of the week before the apprenticeship program begins, and are not charged to the experience rating account of their employer.

Votes on Final Passage:

Senate	35	13	
House	62	32	(House amended)
Senate	32	16	(Senate concurred)

Effective: June 12, 2008

SB 6753
C 40 L 08

Regarding changes in calling burn bans for solid fuel burning devices.

By Senators Fraser, Swecker, Rockefeller and Pridemore.

Senate Committee on Water, Energy & Telecommunications

House Committee on Select Committee on Environmental Health

Background: Nearly half of Washington's households have wood burning devices. Wood burning units can emit hundreds of times more pollution than other forms of heat such as natural gas, electricity, or oil. Since 1997 all fireplaces offered for sale in Washington must meet certification standards comparable to wood stove standards. Masonry fireplaces must also meet design standards that achieve similar emission reductions. The State Building Code Council devised fireplace construction standards and testing methods to meet this emission requirement. In September 2006 the U.S. Environmental Protection Agency revised national air quality standards for fine particle pollution to particles 2.5 micrometers in diameter and smaller. The previous daily fine particle standard was 65 micrograms of particles per cubic meter to 35 micrograms of particles per cubic meter of air. This standard was changed to protect public health from

short-term exposure to fine particles. Some communities are unable to meet the new standard, primarily because of wood smoke emissions. In 2007 the Department of Ecology (Ecology) was charged with convening a work group to study the impacts of wood smoke from solid fuel burning devices on communities in Washington. This work group provided recommendations to the Legislature on practical and cost-effective opportunities to reduce exposure to wood smoke from solid fuel burning devices, and meet the new national air quality standards for fine particulates.

Summary: Ecology or a local air pollution control authority may call a first stage burn ban when forecasted meteorological conditions are predicted to cause fine particulate levels to exceed 35 micrograms per cubic meter as measured on a 24-hour basis.

Ecology or a local air pollution control authority may call a second stage burn ban when a first stage burn ban has been in force and has not been sufficient to reduce fine particulate levels below 25 micrograms per cubic meter over a 24-hour period, and forecasted meteorological conditions are not expected to allow fine particulate levels to decline below 25 micrograms per cubic meter for a 24-hour period or longer.

Ecology or a local air pollution control authority may call a second stage burn ban without calling a first stage burn ban when all of the following occur: (1) fine particulate levels have reached or exceeded 25 micrograms per cubic meter over a 24-hour period; (2) meteorological conditions have caused fine particulate levels to rise rapidly; (3) meteorological conditions are predicted to cause fine particulate levels to exceed 35 micrograms per cubic meter as measured on a 24-hour basis; and (4) meteorological conditions are highly likely to prevent sufficient dispersion of fine particulates.

When Ecology or a local air pollution control authority calls a second stage burn ban without calling a first stage burn ban, Ecology or the local air pollution control authority calling the second stage burn ban must prepare a report describing: (1) the meteorological conditions that resulted in calling the second stage burn ban; (2) whether the agency could have taken actions to avoid calling a second stage burn ban without calling a first stage burn ban; and (3) any changes the department or authority is making to its procedures of calling first stage and second stage burn bans to avoid calling a second stage burn ban without first calling a first stage burn ban.

Ecology and local air pollution control authorities must evaluate the effectiveness of state burn ban programs and provide a joint report to the Legislature by September 1, 2011.

Votes on Final Passage:

Senate	48	0
House	93	0

Effective: June 12, 2008

ESSB 6760

C 265 L 08

Regarding the developmental disabilities community trust account.

By Senate Committee on Ways & Means (originally sponsored by Senators Regala, Zarelli, Rasmussen, Roach and Fairley).

Senate Committee on Ways & Means
House Committee on Human Services
House Committee on Capital Budget

Background: The developmental disabilities community trust account, known as the Dan Thompson memorial trust account, was established in 2005. The account was to receive proceeds from alternative use of excess property at Lakeland Village and Rainier School, two of the five residential habilitation centers (RHCs) operated by the Department of Social and Health Services (DSHS). Interest on the account can be spent on community-based services for people with developmental disabilities. Lands at Fircrest School are partly owned by DSHS and partly owed by the Charitable, Educational, Penal, Reformatory Institutions trust managed by the Department of Natural Resources.

Summary: Proceeds from excess property at Yakima Valley School and Francis Hadden Morgan Center may also be deposited into the account. Lease payments for use of surplus land may also be spent on community-based services for people with developmental disabilities.

Votes on Final Passage:

Senate	46	0	
House	93	1	(House amended)
Senate			(Senate refused to concur)
House			(House insisted on position)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

SSB 6761

C 80 L 08

Regarding service areas for wetlands mitigation banks.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Spanel and Rasmussen).

Senate Committee on Transportation
House Committee on Ecology & Parks

Background: A wetland mitigation bank is a wetland, stream, or other aquatic resource that has been restored or created for the purpose of providing compensation for unavoidable impacts to aquatic resources. Units of mitigation can be bought from a wetland bank and credited as mitigation against projects with unavoidable wetland

impacts. Under current law, the Department of Ecology has rule making authority to select all criteria determining the service area for each bank. A service area is the geographic area in which a wetland bank can be used to offset impacts to other wetlands.

Summary: The criteria for determining a service area for a wetland mitigation bank must include restricting the maximum allowable service area to the water resource inventory area (WRIA) in which the bank is located. A service area may include parts of an adjacent WRIA if it is ecologically defensible.

For wetland mitigation banks that have an application for a banking instrument filed January 1, 2008, or after, the local government will have final approval over the certification of the mitigation bank. The local government will be a signatory to the banking instrument, if they choose to approve the mitigation bank.

Votes on Final Passage:

Senate	46	2	
House	94	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: June 12, 2008

SSB 6770

C 41 L 08

Regarding alcoholic beverage regulation.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Holmquist, McAuliffe, Hewitt and Delvin).

Senate Committee on Labor, Commerce, Research & Development
House Committee on Commerce & Labor

Background: Wineries, breweries, and individuals seeking to sell liquor must get the appropriate license from the Liquor Control Board (LCB). LCB licensees are subject to differing statutes and regulations, depending on the type of license acquired.

A bonded wine warehouse license authorizes the storage of bottled wine off the premises of a winery. Wine shipped to a bonded wine warehouse remains under bond and no tax is due until the wine is removed from bond and shipped to a licensed wine distributor. Wine can be removed from a bonded wine warehouse only for specified purposes.

A domestic winery may maintain up to two locations separate from production or manufacturing sites where the winery can sample and sell its own products for off premise consumption.

Domestic wineries and breweries are authorized to donate beer and wine to corporations or associations exempt from taxation under section 501(c)(3) of the Internal Revenue Code. Section 501(c)(3) exempt corporations are commonly referred to as charitable

organizations and are subject to a number of federal regulations. Section 501(c)(6) exempts from taxation qualified trade associations, chambers of commerce, real estate boards, boards of trade, and professional football leagues.

A domestic brewery or microbrewery that holds a license for a spirits, beer, and wine restaurant or a beer and/or wine restaurant on the brewery premises may hold a second license for a restaurant off the brewery premises.

The holder of a spirits, beer, and wine restaurant license may apply for an endorsement allowing the license holder to sell wine for off-premise consumption, provided the wine is from Washington and has a label exclusive to the license holder.

The holder of a hotel license may sell spirits, beer, and wine, by the individual glass, at dining places in the hotel for on premise consumption.

Summary: Handling of bottled wine is permitted in a bonded wine warehouse. Handling includes packaging and repackaging services, labeling services, creation of baskets or variety packs that may include non-wine products, and picking, packing, and shipping wine orders direct to consumers. A winery contracting with a bonded wine warehouse for handling services must comply with all applicable state and federal law, and is responsible for financial transactions in direct to consumer shipping activities. Wine may be shipped from a bonded wine warehouse to a consumer pursuant to a direct sale from the winery to the consumer.

Wineries operating additional locations to sample and sell their own products are no longer limited to selling for off premise consumption. Rather, wineries operating additional locations may now sell their own product at retail for on premise or off premise consumption. A person serving wine at an additional location must get an alcohol servers permit, and the mandatory alcohol server training statutes are amended to reflect the requirement. If multiple wineries operate at an additional location, and the LCB cannot connect an over-service or under age violation to a single licensee, the LCB may hold all licensees jointly liable.

Domestic wineries and breweries are authorized to donate beer and wine to corporations or associations exempt from taxation under section 501(c)(6) of the Internal Revenue Code.

A domestic brewery or microbrewery may hold up to two licenses for on premise or off premise retail facilities. Taverns are included as facilities for which a domestic brewery or microbrewery may seek a retail license to operate on or off premise.

Starting June 30, 2008, a microbrewery may contract produce beer for another microbrewer. Contract-production is not a sale for price posting purposes.

The holder of a spirits, beer, and wine restaurant license with an endorsement to sell wine is no longer

limited to selling Washington wine that carries a label exclusive to the license holder. Rather, the holder may sell any bottled wine for off-premise consumption.

The requirement that the holder of a hotel license sell spirits, beer, and wine for on premise consumption at dining places in the hotel is removed. Hotels may sell liquor to occupants of private residential units which are part of the buildings or complex of buildings that include the hotel.

Votes on Final Passage:

Senate	47	0
House	93	0

Effective: June 12, 2008
June 30, 2008 (Sections 7 and 9)
July 1, 2008 (Sections 3, 10, and 11)

ESSB 6776
C 266 L 08

Modifying state whistleblower protections.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kline, Roach, Fraser, Fairley and Swecker).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on State Government & Tribal Affairs
House Committee on Appropriations

Background: The state whistle blower protection program was established to encourage state employees to disclose improper governmental action and to provide protection to employees who report improper action.

The Washington Human Rights Commission (WSHRC) enforces the Washington Law Against Discrimination (WLAD). WLAD prohibits employment discrimination on the basis of race, color, national origin, sex, sexual orientation/gender identity, disability, age, creed/religion, marital status, HIV/AIDS or Hepatitis C status, retaliation, and Whistleblower Retaliation. WSHRC has jurisdiction over most employers with eight or more employees.

A whistle blower is defined as any state employee who in good faith reports alleged improper governmental action to the auditor, initiating an investigation.

Currently, improper governmental action is defined as any action by an employee undertaken in the performance of the employee's official duties which is a gross waste of public funds, is in violation of federal or state law or rule, or which is of substantial and specific danger to the public health or safety.

Summary: Definitions for abuse of authority, gross mismanagement, and public official are added to the whistle blower protection act.

The definition of improper governmental action is amended to include any action by an employee undertaken in the performance of the employee's official duties which prevents the dissemination of scientific opinion or alters technical findings without scientifically valid justification, unless disclosure is prohibited by state law or common law privilege.

The definition of reprisal or retaliatory action is expanded.

A public official means the Attorney General (AG) or the AG's designee or designees; the director, or equivalent in the agency where an employee works; or the Executive Ethics Board.

The definition of whistle blower is expanded to include an individual who in good faith reports or is perceived by the employer as reporting alleged improper governmental action to the State Auditor or public official, initiating an investigation.

The auditor has the sole authority to investigate reports of improper governmental activities made by whistle blowers to any public official. Any public official receiving a report must submit a record of that to the auditor within 15 business days of receiving it.

The period of time that the auditor has to conduct a preliminary investigation is expanded from 30 days to 60 days.

Individuals are not authorized under the Whistle-blower act to disclose information otherwise prohibited by law, except to the extent that information is necessary to substantiate the whistleblower complaint, in which case information may be disclosed to the auditor or public official by the whistleblower for the limited purpose of providing information related to the complaint.

The identity of any person who, in good faith, provides information in a whistleblower investigation is confidential at all times unless the person consents to disclosure in writing or by acknowledging his or her identity as a witness who provides information in an investigation.

Governmental employees must be provided annual notice of their rights under the whistle blower protection act. Such reminders may be in agency internal newsletters, notices included in paychecks, email notices, or other such means that are both cost effective and reach all employees of the agency, division, or subdivision.

If WSHRC has not issued a final decision on the alleged whistle blower retaliation within 180 days or within 90 days that WSHRC denied the requested relief in whole or in part, the complainant may seek injunctive or final relief for the complaint by filing an action in superior court seeking a review of the complaint.

In lieu of filing a complaint for retaliation with the Human Rights Commission, a complainant may pursue arbitration conducted by the American Arbitration Association or another arbitrator mutually agreed upon by the parties. The cost must be shared equally by the parties.

On or before the third Monday in January of each year, the Human Rights Commission must report to the Governor and Legislature: (1) the number of retaliation reports it has received in the past year; (2) the number of such reports which were substantiated; and (3) the number of such cases still under consideration as well as how long each unresolved case has been under consideration.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

SSB 6791

C 157 L 08

Clarifying permitted uses of moneys currently collected under the county legislative authority sales and use tax for chemical dependency or mental health treatment programs and services or therapeutic courts.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Stevens and Marr).

Senate Committee on Human Services & Corrections
House Committee on Health Care & Wellness

Background: In 2005 the Legislature passed E2SSB 5763 (C 504 L 05 PV) which gave county legislative authorities permission to impose a sales and use tax of one tenth of 1 percent for the purpose of providing new or expanded chemical dependency or mental health treatment services and for the operation of new or expanded therapeutic court programs.

Summary: It is clarified that moneys collected under the sales and use tax authorized by E2SSB 5763 may be used for the operation or delivery of programs and services. Moneys collected by the sales and use tax may be used to replace lapsed federal funding previously provided for the operation or delivery of chemical dependency or mental health treatment services and programs.

Votes on Final Passage:

Senate	45	0
House	93	0

Effective: June 12, 2008

ESSB 6792

C 267 L 08

Concerning dependency matters.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove and Stevens).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

House Committee on Appropriations

Background: In 2007 the Children's Administration (CA) at the Department of Social and Health Services (DSHS) began the phase-in of a policy requiring social workers to have monthly visits with children in out-of-home care. This phase-in requires that by April 2007 social workers will have monthly visits with all children aged zero to five who are out-of-home unlicensed relative placements. The next three phases include in the order, children aged six to 18 in out-of-home unlicensed placements; children aged six to 18 in foster care placements; children ages zero to five in foster care placements; and children ages six to 18 in foster care placements. The effective date of the policies affecting the last three phases is to be determined.

CA often enters into agreements with Child Placing Agencies (CPA) to provide foster care and other case management services to children. Generally, the CPAs conduct monthly face-to-face visits with the child in out-of-home care and the child's caregiver. By policy, the CA social worker must also conduct a 30-day visit.

During the 2007 session, the Legislature passed ESSB 1624 which, among other things, provided a process by which a dependent child, in certain situations, can petition the court to reinstate previously terminated parental rights. During the implementation of this bill, several issues came to light: the burden of proof in a parental rights reinstatement petition was not specifically stated; although a child under 12 could file a petition for reinstatement of parental rights, no process for doing so had been established; and no opportunity for the court to grant a final order of reinstatement was included.

Currently, DSHS could be held liable for its negligence in providing services under or administering the reinstatement of parental rights statute.

At a shelter care hearing in a dependency matter, the court must determine whether an order expelling the allegedly abusive parent from the home will allow the child to remain safely in the home rather than placing the child in out-of-home care.

In a judicial proceeding under chapter 26.44 RCW, the court may issue a restraining order removing the alleged abuser from the home if to do so would keep the child safe.

A HOPE center is an agency licensed by DSHS to provide temporary residential placement and other services to street youth. A street youth may remain in a HOPE center for 30 days while services are arranged and a placement coordinated.

A Responsible Living Skills Program (RLSP) is an agency licensed by DSHS to provide transitional living services that emphasize the achievement of independent living skills competency. To be eligible for placement in an RLSP, a minor must be dependent under chapter 13.34 RCW and must have resided in a HOPE center or in a secure crisis residential center.

Summary: To be eligible for placement in a HOPE center, a minor must be either a street youth or a youth who, without placement in a HOPE center will continue to participate in increasingly risky behavior. Minors may also self-refer to a HOPE center. Payment for a HOPE center bed is not contingent upon prior approval by DSHS.

If a minor's caseworker determines that placement in an RLSP would be the most appropriate placement given the minor's current circumstances, prior residence in a HOPE center or secure CRC is not required before placement in an RLSP.

The court may order that a hearing be held on the merits of a petition to reinstate parental rights if it finds by a preponderance of the evidence that reinstatement is in the child's best interests. The court, upon the child's motion, or upon the court's own motion, may hear a petition filed by a child younger than 12. If the court grants the child's petition, a temporary order of reinstatement is entered. After the child has been placed with the parent for six months, and the placement has been successful, the court must hold a hearing and enter a final order restoring the parent's rights and dismissing the dependency.

The state, DSHS, and its employees are not liable for civil damages resulting from acts or omissions under the parental reinstatement section of the law unless the act or omission constituted gross negligence.

At a shelter care hearing, the court must determine whether an order expelling an allegedly abusive household member from the home of the nonabusive parent, guardian, or custodian will allow the child to remain safely in the home.

At a shelter care hearing, uncertainty by a parent, guardian, legal custodian, relative, or other suitable person that the alleged abuser has in fact abused the child cannot be the sole basis upon which the child is removed from the care of the parent, guardian, legal custodian, relative, or suitable other person, nor can it be the sole basis upon which to preclude placement with either a relative or another suitable person.

Under chapter 26.44 RCW, the court may enter a restraining order to protect an allegedly abused or neglected child and if the child's caretaker is willing and

does comply with the restraining order, uncertainty by the caretaker that the alleged abuser has abused the alleged victim must not, alone, be a basis to remove the alleged victim from the caretaker, nor must it be considered neglect.

The provision allowing a child to petition the juvenile court to reinstate previously terminated parental rights within three years of the exhaustion of any right to appeal the termination order, if the order is appealed, is removed.

DSHS must monitor children in out-of-home placements and in-home dependencies to assure the safety, well-being, and quality of care being provided is within the scope of the statute. DSHS's policy must be that every child in out-of-home care, or an in-home dependency, and the child's caretaker receive a private and individual face-to-face visit each month. Within existing funds, when a child's case is managed by an accredited CPA, the CPA must conduct the monthly face-to-face visit and provide DSHS with a written report within 15 days of the visit. In these cases, DSHS need only have a face-to-face visit with the child and the child's caretaker every 90 days.

A process is established for the sharing of information between DSHS and the Department of Licensing to facilitate youth in foster care in obtaining a state identification card.

A pilot program is established in the following four Washington counties: Spokane, King, Thurston, and Benton-Franklin. The pilot is to be administered by DSHS and the Administrative Office of the Courts (AOC) and is to be structured as follows:

- (1) For children ages 12 years and older who are the subjects of dependency proceedings, the following rights are established: a) the right to receive notice of hearings; b) the right to be present at hearings; and c) the right to be heard personally.
- (2) Prior to hearings, the child's guardian ad litem (GAL) or attorney must determine if the child wishes to attend the hearing. If the child wishes to attend, the attorney and GAL must coordinate with the child's caregiver and DSHS or other supervising agency to arrange for transportation.
- (3) If the child exercises his or her right to be present, the court may interview the child in chambers to determine the child's wishes regarding issues before the court.

DSHS and AOC are to brief the Legislature regarding the pilot by January 31, 2009, and provide a final report by December 1, 2010.

Prior to making recommendations to the court regarding the child's best interests, a GAL or volunteer advocate must meet with, interview, or observe the child at least once. The GAL or volunteer also must report to the court any preferences or wishes expressed by the child regarding issues to be decided by the court.

When a child has been in out-of-home care for 15 of the most recent 22 months after filing of the dependency petition, the court must require the filing of a petition to terminate parental rights.

Votes on Final Passage:

Senate	47	0	
House	93	0	(House amended)
Senate			(Senate refused to concur)
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 12, 2008

December 31, 2008 (Section 6)

SSB 6794

C 4 L 08

Requiring the procurement of new ferry vessels that carry no more than one hundred motor vehicles.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Spanel, Shin and Rockefeller; by request of Governor Gregoire).

Senate Committee on Transportation

Background: In November of 2007, the Washington State Department of Transportation (DOT) ordered the state's four eighty-year old steel electric class vessels to be immediately removed from service because of corrosion and pitting discovered in the vessel hulls.

Summary: The Legislature declares that an expedited procurement is required for the construction of new vessels to replace the steel electric class vessels.

The DOT is directed to construct one or more ferry vessels for service on routes that require vessels that carry no more than 100 vehicles. The vessels must be constructed within the boundaries of Washington State. Exempt from the build-in Washington requirement are equipment furnished by the state and standard manufactured components, products and systems. Generally, warranty work must also be performed within the boundaries of Washington.

Votes on Final Passage:

Senate	40	8
House	80	17

Effective: February 14, 2008

SB 6799
C 324 L 08

Concerning the sourcing, for sales and use tax purposes, of sales of tangible personal property by florists.

By Senators Regala, Prentice and Fraser; by request of Department of Revenue.

Senate Committee on Ways & Means
House Committee on Finance

Background: In 2007 the Legislature enacted SSB 5089 (C 6 L 07) which fully conformed Washington law with the streamlined sales and use tax agreement (SSUTA). The major provisions of the legislation take effect July 1, 2008. A major component of the legislation is the change from origin based sourcing to destination based sourcing. Sourcing determines where a sale occurs and, therefore, which local jurisdiction is entitled to the sales tax generated from a particular transaction.

Until July 1, 2008, local sales and use taxes are sourced on an origin-based system according to the following rules: (1) sales tax from the sale of goods is sourced to the retail outlet at or from which delivery is made; (2) sales tax from the sale of a service, with or without a sale of goods, is sourced to the place where the service is primarily performed; and (3) sales tax from the lease or rental of goods is sourced to the place of first use. In the case of short-term rentals, this is the place of business of the lessor. In the case of rentals or leases involving periodic payments, this is the primary place of use by the renter or lessee for each payment period.

Beginning July 1, 2008, with few exceptions, local sales and use taxes are sourced on a destination-based system according to the following rules: (1) if a good or service is received by the purchaser at the business location of the seller, the sales tax is sourced to that business location; (2) if the good is not received by the purchaser at the business location of the seller, the sales tax is sourced to the location where receipt occurs, if known by the seller; (3) if neither of the first two rules apply, the sales tax is sourced to the address indicated for the purchaser in records normally maintained by the seller, if the use of this address by the seller does not constitute bad faith; (4) if none of the first three rules apply, the sales tax is sourced to the address for the purchaser obtained during the consummation of the sale, including the address of the purchaser's payment instrument, if the use of this address by the seller does not constitute bad faith; and (5) if none of the first four rules apply, the sales tax is sourced to the address from which the delivery is made.

The florists' telegraphic delivery (FTD) association is a network that provides a way for florists to serve each others' out-of-town customers by exchanging orders. Generally, a receiving florist takes an order from a customer and then communicates the order to a second

florist who delivers the items to the place designated by the receiving florist.

In the case of FTD sales, the location of the florist taking the order currently determines the local tax. The florist making delivery to the customer on behalf of the florist taking the order is considered to be making a wholesale sale.

The SSUTA was recently amended to extend an exclusion of sales by florists from the destination-based sourcing provisions. The amendment allows member states to source sales by florists according to their own rules through December 31, 2009.

Summary: Florists are allowed to continue using origin-based sourcing, including FTD sales which will continue to be sourced to the location of the florist taking the order.

Florist is defined as a person whose primary business is the retail sale of fresh cut flowers, potted ornamental plants, floral arrangements, and similar products not for landscaping purposes.

Votes on Final Passage:

Senate	45	3
House	96	0

Effective: July 1, 2008

SSB 6804
FULL VETO

Providing grants to community colleges for long-term care worker training.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Carrell, Hobbs, Shin, Roach, Kohl-Welles, Marr, McAuliffe, Rasmussen and Benton).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Capital Budget

Background: The Department of Social and Health Services (DSHS) contracts with agency and individual home care workers (individual providers) to provide in-home long-term care services for elderly and disabled clients who are eligible for publicly funded services through the DSHS's Aging and Adult Services and Developmental Disabilities programs. Home care workers provide consumers with personal care assistance with various tasks. Individual providers have collective bargaining rights under the Public Employees' Collective Bargaining Act.

The Secretary of DSHS, with the aid of a steering committee, currently develops training material and curricula for individual providers. Nine Washington counties have populations of over 200,000 and there are 21

community and technical colleges within those counties that currently offer programs in health professions.

Summary: To the extent funds are provided, the State Board of Community and Technical Colleges (SBCTC), in consultation with the bargaining representative of the individual providers, must allocate competitive grants to up to four community college pilot sites for the delivery of training and workforce development for long-term care workers. To be eligible, community colleges must be located in a county with a population of 200,000 or more, with priority given to colleges with existing allied health care programs and demonstrated commitments to the pilots by community partners. Funds can be used to renovate or expand current facilities, acquire land and facilities, or accommodate programs that provide long-term care settings.

The SBCTC must file a report with the appropriate legislative committees regarding the results of the pilot program by December 1, 2014. The pilot program expires on July 1, 2015.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	47	0	(Senate concurred)

VETO MESSAGE ON SSB 6804

March 21, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval, Substitute Senate Bill 6804 entitled:

“AN ACT Relating to capital grants for integrated long-term care worker training labs in the community and technical college system.”

If it had been funded, this bill would have established a capital grant program for up to four long-term care worker training labs in the community and technical college system. However, the bill includes a clause stating that the proposed pilot grant program is null and void unless funding for the program is included in the 2008 supplemental budget. The Legislature did not include funding in either the operating or capital supplemental budgets. By simultaneously including the null and void clause in the bill while not appropriating funding, the Legislature did not intend the bill to become effective.

For these reasons, I have vetoed Substitute Senate Bill 6804 in its entirety.

Respectfully submitted,



Christine Gregoire
Governor

SSB 6805

C 133 L 08

Promoting farm and forest land preservation and restoration through conservation markets.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Rasmussen, McAuliffe, Kline and Kohl-Welles).

Senate Committee on Agriculture & Rural Economic Development

Senate Committee on Ways & Means

House Committee on Agriculture & Natural Resources

House Committee on Appropriations

Background: Often agencies have environmental mitigation and compliance requirements associated with permitting processes for the construction of public projects such as highways or private projects. Interest exists in enhancing or restoring fish and wildlife habitat, planting riparian areas, dispersing flood waters, providing water filtration, or providing other environmental benefits.

Interest is expanding in the use of conservation markets that award various types of environmental mitigation credits for projects that enhance habitat or other environmental values. This system of credits allows those public or private entities that need or want credits to purchase the credits from those who are awarded credits for projects that provide the enhancement. This option uses market forces to provide incentives to provide these environmental benefits through a system of credits. Interest exists in examining the use of conservation markets in a way that takes advantage of environmental enhancement opportunities that exist on farms and small forestry operations, but that also improve the viability of these operations, without taking whole farms or significant amounts of land out of production.

Summary: The State Conservation Commission (Commission) is directed to conduct a study on the feasibility and desirability of establishing farm and forestry-based conservation markets in Washington State. To carry out this study, the Commission may enter into a contract with an entity that has knowledge and experience in agriculture and of conservation markets. The study would include:

- an evaluation of agricultural conservation markets operating in other states;
- collaborating with farm and small forest landowners' organizations and agricultural special purpose districts to determine interest in and to assess market-ready products;
- identify opportunities for conservation markets that could provide ongoing revenue to farm and small forestry operations to improve their long-term viability;

- work with public agencies to determine potential demand and their willingness to use these products; and
- coordinate with the Department of Ecology regarding its "Mitigation that Works" project, the Department of Agriculture regarding the "Future of Farming" project, the William D. Ruckelshaus Center relating to voluntary approaches relating to critical areas, and the Office of Farmland Preservation work relating to retaining farmland in agricultural production.

The Commission is to present its findings and recommendations on the conservation markets study to the Governor and the appropriate legislative committees by December 1, 2008.

If the study determines that conservation markets are feasible and desirable, the Commission must conduct two demonstration projects. To be chosen as a demonstration project area, there needs to be:

- enthusiastic farmers;
- a substantial supply of potential restoration products from farms;
- a potential for public and private cost-sharing of costs; and
- upcoming development of permitting activity that is likely to trigger significant mitigation demands.

If the project proceeds to the demonstration project phase, the Commission is to report its findings and recommendations to the Governor and the appropriate committees of the Legislature by December 1, 2009.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

SSB 6806

C 268 L 08

Providing tax incentives for anaerobic digester production.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Rasmussen and Shin).

Senate Committee on Agriculture & Rural Economic Development

Senate Committee on Ways & Means

House Committee on Finance

Background: Tax incentives were established in 2003 to encourage the production of biodiesel and alcohol fuels. The buildings, machinery, equipment, and other personal property used in the manufacture of biodiesel fuels, biodiesel feedstocks, and alcohol fuels are exempt from property taxes and leasehold taxes. These tax

exemptions are valid for six years. To claim the exemption, a form has to be filed with the county assessor. No claims may be filed after December 31, 2009.

Summary: Included in the types of businesses that qualify for the six-year exemption from property and leasehold taxes are anaerobic digesters. Anaerobic digester means a facility that primarily processes manure from livestock into biogas and dried manure products using microorganisms in a decomposition process within a closed, oxygen-free container. To claim the exemption, forms must be filed by December 31, 2012.

Votes on Final Passage:

Senate	46	0
House	96	1

Effective: July 1, 2008

SSB 6807

PARTIAL VETO

C 251 L 08

Restricting long-term care facilities.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Kastama, Keiser, Fairley and Kohl-Welles).

Senate Committee on Health & Long-Term Care

House Committee on Health Care & Wellness

Background: Under current law, long-term care facilities may not discharge or transfer residents unless one or more of the following conditions exist: the action is necessary for the resident's welfare; the facility cannot meet the resident's needs; the safety of the resident or other residents are endangered; the resident has failed to make the required payment; or the facility has ceased to operate. Before a discharge or transfer occurs, the facility is required to make a reasonable accommodation to avoid the discharge, and must also appropriately notify the affected individuals.

Under federal law, nursing homes that voluntarily withdraw from the Medicaid program, are prohibited from discharging residents who are residing in the facility the day before the effective date of the withdrawal. The law applies to residents currently receiving Medicaid benefits, as well as those who are residents but not yet dependent on Medicaid.

Boarding homes with Medicaid assisted living contracts are also required to provide reasonable accommodation before discharging or transferring residents. However, there is concern that some boarding homes are voluntarily withdrawing from the state's Medicaid program and in doing so, are discharging Medicaid residents from their facilities.

Summary: A boarding home's voluntary withdrawal from the Medicaid program is not an acceptable basis for the transfer or discharge of persons who have been residing in the boarding home and who were Medicaid eligible on the day before the effective date of the withdrawal. Further protection against discharge includes residents who have been paying privately for two years and become Medicaid eligible within six months of the boarding home's withdrawal from Medicaid. Residents who enter the boarding home after the effective date of the withdrawal from Medicaid must be notified that they may be transferred or discharged if they become eligible for Medicaid. Notification must be oral and in writing and acknowledgment of receipt of this notice is required. A boarding home or adult family home that withdraws from Medicaid must provide the Department of Social and Health Services and the residents 60-days advance notice of its intent to withdraw. Boarding homes participating in the Medicaid program must provide notice that the facility can withdraw from Medicaid at any time. All long-term care facilities must fully disclose in writing to residents and potential residents or their legal representative the facility policy on accepting medicaid as a payment source.

Votes on Final Passage:

Senate	48	1	
House	96	0	(House amended)
Senate	46	2	(Senate concurred)

Effective: March 28, 2008

Partial Veto Summary: Section 2 was removed. This section required all long-term care facilities to disclose their Medicaid policy in writing to prospective residents. Upon admission, the disclosure would have been considered a legally binding contract between the resident and the facility.

VETO MESSAGE ON SSB 6807

March 28, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 2, Substitute Senate Bill 6807 entitled:

“AN ACT Relating to discharge of long-term care residents.”

Substitute Senate Bill 6807 prohibits a boarding home from transferring or discharging a current resident on the basis that it is voluntarily withdrawing from the Medicaid program.

Section 2 requires all long-term care facilities to disclose in writing to any potential resident prior to admission the facility policy on accepting Medicaid as a payment source. Upon admission, the disclosure will be considered a legally binding contract between the resident and the facility.

I am concerned that this section is impossible to implement retroactively, and there is no recourse for those who would be in violation of this bill the moment it becomes effective. In addition, Washington's administrative code already requires the disclosure contemplated in Section 2.

For these reasons, I have vetoed Section 2 of Substitute Senate Bill 6807.

With the exception of Section 2, Substitute Senate Bill 6807 is approved.

Respectfully submitted,



Christine Gregoire
Governor

ESSB 6809

C 325 L 08

Providing a tax exemption for working families measured by the federal earned income tax credit.

By Senate Committee on Ways & Means (originally sponsored by Senators Pridemore, McAuliffe, Rockefeller, Eide, Oemig, Hatfield, Regala, Fraser, Brown, Fairley, Tom, Kilmer, Keiser, Franklin, Kauffman, Kline, Rasmussen, Spanel, Jacobsen and Kohl-Welles).

Senate Committee on Ways & Means
House Committee on Finance

Background: The Federal Earned Income Tax Credit. The earned income tax credit (EITC), established in the federal tax code in 1975, is a refundable tax credit available to eligible workers earning relatively low wages. Because the credit is refundable, an EITC recipient need not owe taxes to receive the benefits. The amount of the credit varies but it is generally determined by income and family size. Some states with an income tax provide an EITC.

For purposes of the EITC, "earned income" includes wages, salaries, tips, and other taxable employee pay. The following types of income are not considered earned income: retired persons' disability benefits, pensions and annuities, social security, child support, welfare benefits, workers' compensation benefits, and veterans' benefits. The EITC cannot be claimed unless investment income is less than \$2,900 for the 2007 tax year.

Generally, a taxpayer may be able to take the credit for tax year 2007 if the taxpayer:

- has more than one qualifying child and earns less than \$37,783 (\$39,783 if married filing jointly);
- has one qualifying child and earns less than \$33,241 (\$35,241 if married filing jointly); or
- does not have a qualifying child and earns less than \$12,590 (\$14,590 if married filing jointly).

For the 2007 tax year, the maximum credit is \$4,716 for a family with two or more children; \$2,853 for a family with one child and \$428 if the taxpayer does not reside with children.

Sales and Use Tax. Sales tax is imposed on the retail sales of most items of tangible personal property and some services. The use tax is imposed on the privilege

of using tangible personal property or services in instances where the sales tax does not apply. Sales and use taxes are levied by the state, counties, and cities, and total rates vary from 7 to 8.9 percent.

Sales taxes are collected by the seller from the buyer at the time of sale. Use tax is remitted directly to the Department of Revenue (DOR). State sales and use tax revenues are deposited in the state General Fund.

Summary: A working families' tax exemption is created in the form of a state sales tax remittance, equal to a percentage of the EITC.

Persons eligible for the credit must file a federal income tax return, receive an EITC, and have resided in Washington for more than 180 days in the year which the exemption is claimed. Eligible persons must pay the sales tax in the year for which the exemption is claimed.

Beginning October 1, 2009, eligible persons may electronically apply to DOR for a remittance. There must be alternative filing methods for applicants who do not have access to electronic filing. The remittances may be made by electronic funds transfer. For remittances in 2009 and 2010, the exemption for the prior year is \$25 or equal to 5 percent of the EITC for which data is available, whichever is greater. For 2011 and thereafter, the exemption for the prior year is \$50 or equal to 10 percent of the EITC for which data is available, whichever is greater. For any fiscal period, the working families' tax exemption must be approved in the state omnibus appropriations act.

DOR determines eligibility based on information provided by the applicant, and through audit, administrative records, and verification of Internal Revenue Service records. DOR may use the best data available to process the remittance. DOR may, in conjunction with other agencies or organizations, design a public information campaign to inform potentially eligible persons of the exemption. DOR may contact persons who appear to be eligible. The administrative provisions of chapter 82.32 RCW apply and DOR is granted rulemaking authority. DOR must limit its costs to the initial start-up costs to implement the program. The state omnibus appropriations act must specify funding to be used for the ongoing administrative costs of the program.

DOR must report back to the Legislature by December 1, 2012, to identify administrative or resource issues that require legislative action.

Votes on Final Passage:

Senate	32	16	
House	57	37	(House amended)
Senate	29	17	(Senate concurred)

Effective: June 12, 2008

SB 6818
PARTIAL VETO
C 326 L 08

Promoting transparency in state expenditures.

By Senators Oemig, Brandland, Tom, Zarelli, Kastama, Weinstein, Kilmer, Keiser and Kohl-Welles.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Under the State Budget and Accounting Act, the Office of Financial Management (OFM) maintains a comprehensive financial accounting and reporting system for all agencies of state government. This system accounts for all state agency revenues, expenditures, receipts, and disbursements, as well as statewide budget information.

The Legislative Evaluation and Accountability Program Committee (LEAP Committee) provides a variety of fiscal information for the Legislature and the public.

Summary: By January 1, 2009, the LEAP Committee, in collaboration with OFM, is directed to make publicly available a state expenditure information web site that contains for the prior fiscal year: (1) state expenditures by fund or account; (2) expenditures by agency, program, and subprogram; (3) state revenues by source; (4) state expenditures by budget object and subobject; and (5) state agency workloads, caseloads, and performance measurements. The LEAP Committee must prepare and post on a public website, a presentation specific to K-12 education funding. The presentation will show examples of the type and level of educational programs and services supported by funding appropriated in the budget for the support of common schools. In addition, the web site must contain a link to an OFM web site on personal services' contracts required to be filed with OFM. The web site must also provide current and historical information.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

Partial Veto Summary: The requirement for a public web site on K-12 education funding is removed.

VETO MESSAGE ON SB 6818

April 1, 2008

*To the Honorable President and Members,
The Senate of the State of Washington*

Ladies and Gentlemen:

I am returning, without my approval as to Section 4, Senate Bill 6818 entitled:

“AN ACT Relating to transparency in state expenditures.”

Section 4 of this bill would have the Legislative Evaluation and Accountability Program prepare and post to the web a presentation about school funding programs and categories. The

Joint Task Force on Basic Education is currently reviewing basic education funding, and will produce a recommendation for a new K-12 funding framework for consideration by the Legislature during the 2009 session. One of the criteria for the new funding system is that it be more transparent. Because the categories and cost allocations specified in Section 4 will be outdated and need to be changed very soon, I am concerned that this provision could cause more, rather than less, confusion about how the state funds K-12 education.

For these reasons, I have vetoed Section 4 of Senate Bill 6818. With the exception of Section 4, Senate Bill 6818 is approved.

Respectfully submitted,



*Christine Gregoire
Governor*

ESB 6821

C 252 L 08

Regarding fish and wildlife harvest management.

By Senators Hatfield and Jacobsen.

Senate Committee on Natural Resources, Ocean & Recreation

House Committee on Agriculture & Natural Resources

House Committee on Appropriations Subcommittee on General Government & Audit Review

Background: The Magnuson-Stevens Fishery Conservation and Management Act is the primary law governing marine fisheries management in the United States' federal waters. The Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 (MSA Reauthorization) mandates the use of annual catch limits and accountability measures to end overfishing, provides for widespread market-based fishery management through limited access programs, and calls for increased international cooperation.

Washington State's public disclosure laws require that agencies make available all public records for public inspection and copying, unless a record falls within an exemption to public disclosure. The Legislature has declared by statute that such laws are to be interpreted so as to liberally construe public disclosure requirements and narrowly construe exemptions.

RCW 42.56.430 provides exemptions from public disclosure for certain information relating to fish and wildlife. One exemption includes commercial fishing catch data when: (1) the data identifies specific catch location, timing, or methodology; and (2) the release would result in an unfair commercial disadvantage. This exemption does allow for the release of this information to government agencies concerned with the management of fish and wildlife.

The second exemption applies to sensitive wildlife data obtained by the Department of Fish and Wildlife (DFW). The exemption does allow, however, the release

of sensitive wildlife data to government agencies concerned with the management of fish and wildlife resources. Examples of sensitive wildlife data include: nesting sites or specific locations of endangered, threatened, or sensitive species; radio frequencies used in, or locational data generated by, telemetry studies; and certain location data that could compromise the viability of a specific fish or wildlife population.

The third exemption applies to personally identifying information of a person who obtains a recreational license. However, this information may be released to government agencies concerned with the management of fish and wildlife, the Department of Social and Health Services, the Department of Licensing, and law enforcement agencies.

DFW currently has specific authority to administrate commercial fishery license and vessel buyback programs (buyback programs). DFW may purchase items including current commercial licenses, commercial fishing vessels, and appurtenant gear. DFW may only implement its existing commercial fishery buyback authority if the license holder has been substantially restricted in fishing as a result of a 1974 judicial decision commonly known as the Boldt decision. In that decision the court ruled, and appellate courts and related cases have upheld the doctrine, that treaties reserve the right of Washington treaty tribes to half the harvestable fish passing through their usual and accustomed fishing areas.

A 1994 federal court decision, known as the Rafeedie decision, held that Washington's treaty tribes' right to harvest fish includes the right to harvest shellfish.

In 2007 the Legislature directed DFW to develop a proposed fishery buyback program for the coastal crab commercial fleet. The proposed program was to explore funding alternatives that involve federal funding, state funding, industry funding, and combinations of these sources. The proposed program also was to include elements necessary for the administration of the program.

Summary: An exemption is added to the public records act protecting information that DFW receives or accesses under the MSA Reauthorization, but that cannot be disclosed due to confidentiality requirements in the MSA Reauthorization, from being disclosed pursuant to the public records act.

DFW's authority to administrate buyback programs is expanded to include commercial fishery license holders restricted in fishing as a result of the Rafeedie decision. However, the federal government must provide funding before DFW may purchase commercial fishing vessels, licenses, delivery permits, and charter boat licenses.

Votes on Final Passage:

Senate	44	3	
House	93	1	(House amended)
			(House reconsidered)
House	92	2	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 12, 2008

SSB 6828
C 81 L 08

Concerning the excise taxation of the aerospace industry.

By Senate Committee on Ways & Means (originally sponsored by Senators Marr, Prentice, Zarelli, Schoesler, Hobbs, Kilmer, Shin and Rasmussen).

Senate Committee on Ways & Means
House Committee on Finance

Background: Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Revenues are deposited in the state General Fund. A business may have more than one B&O tax rate, depending on the types of activities conducted. There are a number of different rates. The main rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for professional and personal services, and activities not classified elsewhere.

Sales tax is imposed on retail sales of most items of tangible personal property and some services, including construction and repair services. Sales and use taxes are imposed by the state, counties, and cities. Sales and use tax rates vary between 7 and 8.9 percent, depending on location. There are a number of sales and use tax exemptions, including machinery and equipment directly used in manufacturing.

Property taxes are imposed by state and local governments. All real and personal property in this state is subject to the property tax based on its value, unless a specific exemption is provided by law. There are exemptions for certain properties, including property owned by federal, state, and local governments, churches, farm machinery, and business inventory.

In 2003 the Legislature adopted tax incentives that were limited to aerospace manufacturers. The incentives included a reduced B&O tax rate; a B&O tax credit for pre-production development expenditures; and a B&O tax credit for property taxes paid on property used in the manufacture of commercial airplanes and airplane components. A leasehold tax exemption for port district facilities is available to manufacturers of super-efficient airplanes that are not using the B&O tax credit for property taxes. The incentives also included sales and use tax

exemptions for computer equipment and software, and installation, used primarily in the development of commercial airplanes and components. These exemptions are scheduled to end in 2024.

In 2006 the Legislature extended the sales and use tax exemption for computer equipment and software to nonmanufacturing firms engaged in the development, design, and engineering of commercial airplanes and components of commercial airplanes. The B&O tax credit for preproduction development expenditures related to commercial aircraft was also extended to non-manufacturing firms.

Businesses that use these incentives file an annual report with the Department of Revenue (DOR). The report includes employment, wage, and employer-provided health and retirement benefit information for full-time, part-time, and temporary positions.

Summary: It is recognized that the aerospace industry provides well-paying jobs, as does its suppliers and vendors. Aerospace tax programs are extended to manufacturers, Federal Aviation Regulation (FAR) repair stations, and design/engineering services. These programs include the following:

- Sales and use tax exemptions are provided for computer equipment and software, and installation, which are used primarily in aerospace products or providing aerospace services.
- Until July 1, 2024, the B&O tax rate is 0.2904 percent for making sales, both retail or wholesale, of commercial airplanes or components. Persons claiming this rate must file an annual survey with the DOR.
- Beginning July 1, 2008 and ending on July 1, 2024, the B&O tax rate is set at 0.2904 percent for the manufacturing or sales of tooling used in the manufacturing of commercial airplanes and components of airplanes. Persons claiming this rate must file an annual survey with DOR.
- The B&O tax rate is set at 0.2904 percent for persons classified by the Federal Aviation Administration as a FAR 145 certified repair station. Persons claiming this rate must file an annual survey with DOR.
- Persons performing aerospace product development are qualified for a 0.9 percent B&O rate. Persons claiming this rate must file an annual survey with DOR.
- Aerospace product development is qualified for the preproduction 1.5 percent B&O tax credit on qualified expenditures.
- The B&O tax credit for property taxes paid is extended to aerospace product development, the manufacturing of tooling, and FAR Part 145 certified repair stations.

The sale of parts to the manufacturer of a commercial plane is deemed to take place at the site of final testing or inspection.

Other technical corrections and citation updates related to these programs are made.

Section 5 of the act expires July 1, 2011.

Votes on Final Passage:

Senate	44	4
House	92	5

Effective: July 1, 2008

SB 6837

C 87 L 08

Increasing the membership of the prescription drug assistance foundation.

By Senators Brown, Swecker, Marr and McAuliffe.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The Prescription Drug Assistance Foundation (foundation) assists low-income, uninsured individuals in obtaining free or low-cost prescription drugs. The foundation helps individuals access the various prescription drug assistance programs offered by manufacturers by assisting qualified residents with filling out applications for free or low-cost drugs. The foundation also raises private dollars to assist in achieving its goal.

There are a total of five foundation board members. These individuals are selected by the Governor and serve three-year terms. Board members must represent the interests of those who don't have prescription drug coverage, and must possess expertise in business management and not-for-profit organization administration. No General Fund-State funds are used for the ongoing operation of the foundation.

Summary: The Prescription Drug Assistance Foundation, Board of Directors' membership is increased from five to 11 members.

Votes on Final Passage:

Senate	49	0
House	93	0

Effective: June 12, 2008

SB 6839

C 88 L 08

Regarding workers' compensation coverage for work performed outside Washington.

By Senators Marr and Kohl-Welles; by request of Department of Labor & Industries.

Senate Committee on Labor, Commerce, Research & Development
House Committee on Commerce & Labor

Background: Generally, employees of Washington employers injured while working in another state are entitled to workers' compensation if the injured worker would have been entitled to compensation had the injury occurred in the state. However, in some cases, the other state may require Washington employers to pay workers' compensation premiums for the work done in the other state. The result is that employers may be insuring the same work in two states.

The Department of Labor and Industries (L&I) has the authority to negotiate industrial insurance reciprocal agreements with other states. If another state requires Washington employers to secure the payment of compensation under its laws, then employers domiciled in that state must purchase compensation under Washington's industrial insurance law covering their workers working in Washington.

Summary: Washington employers who are not self-insured must obtain workers' compensation coverage from the state fund for temporary and incidental work performed by their employees on jobs in another state. Temporary and incidental means work performed in another state for 30 days or less per calendar year.

By December 2011 L&I must report to the Workers' Compensation Advisory Committee on the effect of the legislation on the revenue and costs to the state fund.

Votes on Final Passage:

Senate	46	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 12, 2008

SSB 6847

C 110 L 08

Regulating real estate settlement services.

By Senate Committee on Consumer Protection & Housing (originally sponsored by Senators Weinstein, Delvin, Haugen and Shin; by request of Insurance Commissioner).

Senate Committee on Consumer Protection & Housing
House Committee on Insurance, Financial Services & Consumer Protection

Background: Title insurance guarantees that the owner of real estate being sold or refinanced has clear title to transfer the property. Before issuing a policy, a title insurance company conducts a search of past records to determine if there are any encumbrances, liens, or other clouds on the title. If there is a challenge to the title, the title insurance company pays to defend the buyer and pays to indemnify the buyer and the buyer's lender if the property is lost.

Title insurance is not marketed to the end user of the product. Instead, it is marketed to intermediaries,

usually realtors, who assist parties in closing real estate deals. When a realtor owns a financial interest in a title company, this is commonly referred to as an affiliated business arrangement.

Title insurance companies must file their rates with the Office of the Insurance Commissioner (OIC), but can use the rates as soon as they are filed.

The federal Real Estate Settlement Procedures Act forbids giving or receiving anything of value to encourage the referral of business incident to real estate settlement services, including title insurance. Washington law prohibits title insurers and agents from providing anything of value in excess of \$25 per person over a 12-month period as an inducement, payment or reward for placing or causing title insurance business to be given to the title company. The OIC may fine title companies \$10,000 for each violation.

Despite these prohibitions, studies conducted by OIC in 2006 and 2007 found industry-wide, pervasive violations. Consequently, OIC convened a task force to review the title insurance industry and recommend any improvements to serve consumers better. The task force members included representatives from title companies and real estate brokers, lenders, and consumer advocates.

Summary: As a condition of licensing, title insurance agents must submit an annual report to the OIC containing the contact information of anyone who owns any financial interest in the agent and either: (1) produces business for the agent; or (2) is an associate of producers of business for the agent.

Title insurers and agents are prohibited from giving any gift or payment to influence the referral of business, or to reward the referral of business. However, gifts and payments are permitted if they are given in exchange for like value or comply with OIC rules. Realtors, escrow agents, and mortgage brokers (collectively, "producers") are prohibited from accepting any gift or payment that is illegal for a title insurer or agent to give.

Payments between title companies and producers are also permitted when the payment is a return on the producer's ownership interest in that title company. Such payments may include dividends, equity distributions, and business loans, and may flow from the title company to the producer, or vice versa. However, a payment is not a return on ownership interest, and is prohibited if the amount or frequency of the payment is tied to the amount of business the producer directly, or indirectly, refers to the title company.

Future title insurance rates must be filed 30 days before use, and title insurers must justify with actuarially sound data. Current rates must be re-filed at a date to be set by the OIC by rule; however, the date will be no earlier than January 1, 2010. Title insurers must also file escrow fees or rates with the OIC 15 days prior to use.

Title insurance companies must make their rates and fees publicly available through their web site.

Producers with a financial interest in a title agent or insurer may not give any gift or payment to induce another producer to give that title company business. A producer with a financial interest in a title company may not prevent or deter title companies from delivering printed promotional materials to the producer's employees, independent contractors, office, or clients.

Producers may not require consumers to buy title insurance from an agency that the realtor, escrow agent, or mortgage broker has a financial interest in.

Votes on Final Passage:

Senate	48	0
House	93	0

Effective: June 12, 2008

SSB 6851

C 269 L 08

Concerning the documentation required in order to obtain a real estate excise tax exemption at the time of inheritance.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice and Haugen).

Senate Committee on Ways & Means
House Committee on Finance

Background: The real estate excise tax (REET) is imposed on each sale of real property, which includes both the transfer of ownership and the transfer of controlling interests. Real property includes any interest in land or anything affixed to land. The state tax rate is 1.28 percent. Additional local rates are allowed. The combined state and local rate in most areas is 1.78 percent or less.

There are several exemptions from the REET. One exemption is for individuals that inherit real property. Under current Washington Administrative Code, the exemption from the REET is allowed for inherited property when the following documentation is provided along with a certified copy of the death certificate:

- (1) a community property agreement;
- (2) a trust agreement;
- (3) if transferred under the terms of probate, a certified copy of the letters testamentary or letter of administration;
- (4) in the case of joint tenants with right of survivorship a certified copy of the death certificate; or
- (5) a copy of a court order requiring the transfer.

Summary: A surviving spouse or domestic partner may receive an exemption from the REET without the required documents if the surviving spouse or domestic partner shows a certified copy of the death certificate and signs an affidavit affirming that the surviving spouse or domestic partner is the sole and rightful heir to the property.

Additionally, the current documentation required under Washington Administrative Code is codified.

Votes on Final Passage:

Senate	47	0	
House	91	6	(House amended)
Senate	47	2	(Senate concurred)

Effective: June 12, 2008

2SSB 6855
PARTIAL VETO
C 327 L 08

Concerning funding for jobs, economic development, and local capital projects.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Brandland, Hatfield and McAuliffe).

Senate Committee on Economic Development, Trade & Management
Senate Committee on Ways & Means
House Committee on Community & Economic Development & Trade
House Committee on Capital Budget

Background: The Legislature established the Study Committee on Public Infrastructure Programs and Funding Structures in 2007. The committee was directed to make recommendations for a comprehensive funding structure and a systematic approach to support the integration, consolidation, and standardization of processes and procedures for community and economic development infrastructure programs.

The committee determined that economic development resources should promote family wage jobs, job growth and retention, and that expenditures should be based on regional plans that are consistent with the workforce development goals and the state economic development plan.

The committee recommended eliminating the Job Development Fund Program established in 2005, identifying a permanent funding source for the Community Economic Revitalization Board (CERB) program, and evaluating the rural/urban mix of projects and the maximum dollar amount allowed for each project for an expanded CERB program. The committee also recommended that CERB funding criteria prioritize projects compatible with statewide policy goals, and that performance measures indicate whether projects are meeting the policy goals.

Summary: Applicants for CERB funds must demonstrate convincing evidence that a specific private development, consistent with the Washington Economic Development Commission (commission) strategic plan and recommendations, is ready to occur. Applicants in

rural areas do not need to show that a specific private development is ready to occur but must demonstrate project feasibility, and that the project is part of a local economic development plan. Tourism projects in rural counties are also eligible for CERB funding.

Projects must result in the creation of significant private sector jobs or capital investment. Applicants must demonstrate approval from a local jurisdiction, support from a local associate Development Organization or local workforce development council, local participation, and local matching funds. Financial assistance may be provided for the acquisition of real property, but not for projects located outside the jurisdiction of the applicant. Grants of up to \$50,000 are allowed for plans, studies, and analyses related to a project.

No more than 25 percent of the financial assistance approved by CERB may consist of grants. Applicants must show that jobs created will have hourly wages above the countywide median wage. In evaluating applications for funds, the board will consider the leveraging of private sector investment, anticipated job creation and retention, health plans associated with the project, and accommodations for infill and redevelopment. Financial assistance in Pierce, King, and Snohomish Counties may exceed 60 percent of disbursed funds.

The board is to provide at least 75 percent of the first \$20 million of available funds and 50 percent of any fund greater than that each biennium to projects in rural areas unless there are insufficient qualified projects in rural areas. The CERB is to perform an outcome-based evaluation of CERB funding and forward it to the commission for review and comment.

Vacancies on the CERB board will not be counted for purposes of obtaining a quorum at board meetings. A variety of statutory provisions related to CERB are repealed. Obsolete references are removed. The job development fund act expires June 30, 2009, and the requirement that the Joint Legislative Audit & Review Committee study the job development fund is repealed.

The Building Communities Fund Program is created in CTED to make grants for acquiring, constructing, or rehabilitating nonresidential community services' facilities. The Building Communities Fund Account is created in the State Treasury. Grant assistance is not to exceed 25 percent of the total project cost except under exceptional circumstances. CTED is to submit an unranked list of qualified projects annually to the Governor and the Legislature.

Votes on Final Passage:

Senate	42	6	
House	65	28	(House amended)
Senate			(Senate refused to concur)
House	64	33	(House amended)
Senate	49	0	(Senate concurred)

Effective: April 1, 2008 (Section 3)

June 12, 2008

July 1, 2009 (Sections 1, 2, 4 - 11, and 17)

Partial Veto Summary: The provisions relating to the commission's reviewing and commenting on the CERB outcome-based evaluation were in two sections; one of these was vetoed. The intent section relating to the Building Communities Fund Program was vetoed.

VETO MESSAGE ON 2SSB 6855

April 1, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 10 and 12, Second Substitute Senate Bill 6855 entitled:

“AN ACT Relating to dedicated funding for jobs, economic development, and local capital projects.”

This bill expands upon the existing Community Services Facilities program by creating the Building Communities Fund Account in the State Treasury. I am very supportive of the policy underlying this bill.

Section 10 gives responsibility to the Economic Development Commission that it already has and this is not something the Commission requested. Reiterating it in this legislation is unnecessary. Therefore, I am vetoing Section 10 to avoid any expectations about requirements either on the Community Economic Development Board or the Economic Development Commission.

I support the concept of expanding the existing Community Services Facilities Program, but it is unnecessary to outline legislative findings in this legislation. Therefore, I am vetoing Section 12.

For these reasons, I have vetoed Sections 10 and 12 of Second Substitute Senate Bill 6855.

With the exception of Sections 10 and 12, Second Substitute Senate Bill 6855 is approved.

Respectfully submitted,



Christine Gregoire
Governor

SSB 6857

C 89 L 08

Designating a select portion of state route number 97 as a heavy haul industrial corridor.

By Senate Committee on Transportation (originally sponsored by Senators Morton, Swecker, Haugen, King, Spanel, Parlette and Delvin).

Senate Committee on Transportation
House Committee on Transportation

Background: The Washington State Department of Transportation (WSDOT) may, at the request of a port, designate highways located on port property as heavy haul industrial corridors. WSDOT may enter into agreements with ports to manage and maintain these corridors.

Typically, the purpose of a heavy haul industrial corridor is to allow for the controlled movement of overweight, sealed, ocean-going containers from a port to a railhead. The gross vehicle weight must not exceed 105,500 pounds. The entity operating the overweight vehicles in the corridor is responsible for paying a special permit fee of \$100 a month or \$1,000 a year, which is deposited in the motor vehicle fund.

Summary: WSDOT must designate the portion of State Route 97 that runs from the Canadian border to the city of Oroville as a heavy haul industrial corridor for the movement of overweight vehicles. WSDOT may issue special permits to overweight vehicles operating in the corridor up to a gross vehicle weight of 137,788 pounds. Entities issued a special permit must pay a fee of \$100 a month or \$1,000 a year, which is deposited in the motor vehicle fund.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008

E2SSB 6874

C 82 L 08

Regarding Columbia river water delivery.

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Rockefeller, Kauffman and Rasmussen; by request of Governor Gregoire).

Senate Committee on Water, Energy & Telecommunications

Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on Appropriations

Background: Lake Roosevelt is the reservoir covering 130 square miles, created by the impoundment of the Columbia River by Grand Coulee Dam. The state has, in partnership with the Confederated Tribes of the Colville Reservation, the Spokane Tribe of Indians, and U.S. Bureau of Reclamation, crafted agreements addressing how to manage Lake Roosevelt water withdrawals. The Tribes are key partners because their reservations include large portions of Lake Roosevelt, and Grand Coulee Dam is within the Colville Reservation.

To boost water supplies in the Columbia River Basin, the state plans to release up to 132,500 acre-feet of water from Lake Roosevelt in drought years. This amount of water will lower lake levels no more than an additional 1.5 feet below current operations. This water will provide water to irrigators of 10,000 acres of land in the Odessa sub-area, some holders of "interruptible" water rights, and some municipal and industrial water right applicants. Additionally, this water will be held

instream for endangered salmon and the health of the Columbia River.

Summary: The Columbia river water delivery account is created in the State Treasury. On July 1, 2008, and each July 1 thereafter for the duration of the agreements, the State Treasurer must transfer funds into the account from the General Fund. Monies in the account may be spent only after appropriation. The account consists of all monies transferred or appropriated to the account by law. Funds appropriated from the account are provided pursuant to separate agreements between Washington State and the Confederated Tribes of the Colville Nation, and Washington State and the Spokane Tribe of Indians to support releases of water from Lake Roosevelt.

Additionally, Ecology must provide technical assistance to help affected counties identify and develop competitive project applications to benefit both instream and out-of-stream users, assist affected counties in exploring options to ensure water resources are available for current and future needs, and consider regional equity when making funding decisions on water supply applications.

Votes on Final Passage:

Senate	48	0	
House	95	1	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 1, 2008

SSB 6879

C 177 L 08

Regarding the joint task force on basic education finance.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, Tom, McDermott and Rasmussen).

Senate Committee on Early Learning & K-12 Education
House Committee on Education

Background: In 2007 the Legislature created the Joint Task Force on Basic Education Finance (task force), which was directed to review the definition of basic education and the current basic education funding formulas, develop options for a new funding structure and all necessary formulas, and propose a new definition of basic education.

The Washington Institution for Public Policy supports the task force and was required to provide three reports to the task force:

- (1) an initial report by September 15, 2007, proposing an initial plan of action, reporting dates, and timelines;
- (2) a second report by December 1, 2007, with at least two but not more than four options for allocating school employee compensation; and

- (3) a final report by September 15, 2008, with at least two but no more than four options for revising the remaining K-12 funding structure, a timeline for phasing in the full adoption of the new funding structure, and a projection of the expected effect of the investment made under the new funding structure.

There was no date provided for the completion of the work of the task force.

Summary: The task force must specifically consider equalizing salary allocations. By December 1, 2008, the task force must report the options developed for a new funding structure and all necessary formulas, and propose a new definition of basic education.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: June 12, 2008

SB 6885

C 253 L 08

Expanding the list of persons and entities that may acquire driving record abstracts for certain purposes.

By Senators King and Swecker.

Senate Committee on Transportation
House Committee on Transportation

Background: The Department of Licensing maintains a case record on every person licensed to operate a motor vehicle in Washington. These case records, or abstracts, contain information relating to a person's driving record. Current law restricts the distribution of abstracts to certain persons, including: the individual named in the abstract; an employer or prospective employer; a transit authority checking prospective vanpool drivers; an alcohol/drug assessment or treatment agency; and city and county prosecuting attorneys.

The state of Washington and many local governments self-insure for property and liability risks, including liabilities that may arise from the use of government-owned vehicles.

Abstracts' requests for employees, prospective employees, volunteers, or prospective volunteers must be accompanied by: (1) a release from the individual; and (2) an attestation from the employer or volunteer organization that the information is necessary to determine whether the individual should be employed to operate a commercial vehicle or school bus, or operate a vehicle for a volunteer organization to transportation children, the elderly, or disabled persons.

Summary: The list of those who may receive abstracts is expanded to include state colleges, universities and agencies for employment and risk management purposes, and units of local government that are authorized to self-insure.

These added entities are not required to furnish: (1) a release from the individual; or (2) an attestation that the information is necessary to determine whether the licensed should be employed to operate a commercial vehicle or school bus, or operate a vehicle for a volunteer organization to transport children, the elderly, or disabled persons.

Votes on Final Passage:

Senate 48 0
House 95 1

Effective: August 1, 2008

SSB 6932

C 124 L 08

Addressing ferry vessel and terminal planning.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Spanel, Jacobsen, Marr, Kilmer, Rockefeller and Shin).

Senate Committee on Transportation
House Committee on Transportation

Background: In the 2006 transportation budget, the Joint Transportation Committee (JTC) was directed to conduct a study of the Washington State Ferries (WSF). The study was to facilitate legislative policy discussions and decisions regarding WSF. In 2007 the Legislature passed ESHB 2358 (C 512 L 07), which implemented the recommendations of that study. Phase Two of the JTC study was continued in the 2007 transportation budget. The Transportation Commission is directed to adopt the WSF capital plan.

Summary: Recommendations from the 2007 JTC ferry study are implemented. The Department of Transportation (WSDOT) is directed to develop and maintain a vessel rebuild and replacement plan which must be included in the department's capital plan, along with a vessel preservation plan, a vessel deployment plan, and a terminal preservation plan. WSDOT is also directed to develop and maintain a vessel maintenance and preservation program, which must include, at a minimum, certain activities, efficiencies by reducing dry-docking times, and reporting requirements. The life-cycle cost model must be the basis for developing the department's preservation budget request. Emergency budgets may not be used for planned vessel maintenance and inspections. When considering acquiring new vessels, WSDOT must evaluate operating costs related to fuel efficiency and staffing. The Transportation Commission is no longer directed to adopt the WSF capital plan, but rather to review it and report to the transportation committees of the Legislature.

Votes on Final Passage:

Senate 49 0
House 96 0 (House amended)
Senate 48 0 (Senate concurred)

Effective: June 12, 2008

SSB 6933

C 90 L 08

Changing rules concerning admissibility of evidence in sex offense cases.

By Senate Committee on Judiciary (originally sponsored by Senators Marr, Hargrove, Hewitt, Franklin, Pflug, Carrell, Berkey, Kauffman, Haugen, McCaslin, Rockefeller, Fraser and Kilmer).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Washington Evidence Rule (ER) 404(b) states: "Evidence of other crimes, wrongs, or acts is not admissible to prove the character of a person in order to show action in conformity therewith. It may, however, be admissible for other purposes, such as proof of motive, opportunity, intent, preparation, plan, knowledge, identity, or absence of mistake or accident." Washington courts have held that this list of permissible purposes is not exclusive.

The restrictions on the use of other, usually prior, bad acts is part of the general restriction on the use of evidence that has probative value mainly because a juror would tend to infer from the evidence that the defendant has a propensity to commit crime, or to commit the type of crime that the defendant is charged with at trial, and then further infer that, therefore, the defendant must have committed the crime charged at trial. Even though propensity evidence has probative value, it has been restricted by ER 404(b) out of concern that the jury will be distracted by these inferences and will not focus on the facts regarding the particular charge for which the defendant is on trial and which it is the juror's responsibility to carefully decide.

In Washington, courts have held that evidence of the defendant's sexual prior misconduct is admissible under ER 404(b) when the victim of the alleged prior sexual misconduct is the same person as the victim of the sex offense charged at trial. In 2003 the Washington Supreme Court, in *State v. Devinentis*, ruled admissible under ER 404(b) evidence of prior sexual misconduct by the defendant involving a victim other than the victim of the sex offense charged at trial, where the features of the prior misconduct were substantially similar to those underlying the charged offense.

In 1994 the U.S. Congress created two new Federal Rules of Evidence (FER), 413 and 414. These rules, instead of ER 404(b), now govern the admissibility of

prior-sexual-assault and child-molestation evidence in sexual assault and child molestation cases, respectively. There are at present some federal circuit court decisions construing and applying these relatively new rules.

The Washington Supreme Court has held that rules of evidence are substantive law, and that the Legislature has authority to enact such rules.

Summary: Washington Superior Court Evidence Rule 404(b) is changed through an amendment to RCW Chapter 10.58. In a criminal action charging a sex offense, evidence of the defendant's commission of other sex offenses is admissible, notwithstanding Washington's Evidence Rule (ER) 404(b), if relevant to any fact in issue, if the evidence is not inadmissible under ER 403.

The prosecutor is required to disclose such prior-sex-offense evidence to the defendant at least 15 days before trial, including statements of witnesses or summaries of the substance of any testimony expected to be offered. For purposes of this exception to ER 404(b), the term "sex offense" is defined. Factors for the trial judge to consider when making the ER 403 balancing test are included in the act.

Votes on Final Passage:

Senate	49	0	
House	91	5	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008

SB 6941
C 178 L 08

Regarding a waste reduction and recycling awards program in K-12 schools.

By Senators Fraser, Morton, Regala and Delvin.

Senate Committee on Water, Energy & Telecommunications

House Select Committee on Environmental Health

Background: Since the early-1990's, the Department of Ecology (Ecology) has offered financial awards to schools that achieve notable waste reduction and recycling successes. The awards program (Terry Husseman Sustainable Public School Awards program) is open to all public schools, grades kindergarten through 12; however, private schools are not eligible to participate. Ecology administers the awards program with support from the Office of the Superintendent of Public Instruction. Ecology must grant five or more awards to schools, which are grouped by criteria such as school size, distance to recyclable materials market, and other criteria as deemed appropriate by Ecology. The awards are at least \$2,000. Awards are meant to support school programs that sustain themselves or continue year after year, and focus on reducing waste, increasing recycling, and reducing threats from toxins.

Summary: Ecology is required to encourage waste reduction and recycling in private schools. Single awards of up to \$5,000 may be awarded to participating schools having the best recycling programs and the best waste reduction programs.

Votes on Final Passage:

Senate	47	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 12, 2008

SB 6950
C 181 L 08

Providing a limited waiver or suspension of statutory obligations during officially declared emergencies.

By Senators Brown, Hewitt, Fraser, Brandland, Swecker, Hatfield, Rasmussen, Rockefeller, Stevens, Haugen, Zarelli, Pridemore, Parlette, Sheldon, Hobbs, Hargrove, Holmquist, Fairley, Prentice, Kauffman, Berkey, Kilmer, Kohl-Welles, Shin, Carrell, King, Schoesler, Morton, Delvin, Pflug, Honeyford and Eide.

House Committee on State Government & Tribal Affairs

Background: The Governor has the authority to proclaim a state of emergency in the area of the state effected by a riot, energy emergency, public disorder, or disaster. Other than prohibiting specific activities that may be undertaken by the general public, the Governor's emergency powers include prohibiting activities that the Governor believes should be prohibited to help preserve and maintain life, health, property, or the public peace.

The usual administration of various executive functions was discovered to be inadequate to facilitate immediate response to the devastation of the December 2007 flooding. Likewise, the responses of government to the continuing needs of citizens living or working in the counties declared to be in a state of emergency, were found to be hampered by the lack of specific statutory authority for waivers or other reasonable responses to these unusual circumstances.

Summary: The Governor has authority to waive or suspend statutory obligations or limitations for certain executive functions during and in the areas affected by a proclamation of emergency.

The Department of Community, Trade and Economic Development may enter into interlocal agreements with public agencies that provide mutual aide and cooperation to the public agencies affected by the emergency. Any liability arising from acts done by these public agencies during, traveling to or from, or in preparation for the emergency are obligations of the state, unless they are undertaken by the United States.

During a state of emergency, the Governor may waive or suspend the collection of fees for permits and inspections charged by the Department of Labor and Industries that would otherwise be due for activities facilitating the operation of the government or for the safety and protection of the civilian population.

During a state of emergency, the Governor may order that the benefits of the family emergency assistance program be extended to individuals and families without children.

The Governor may order that the authority of the Utilities and Transportation Commission to set tariffs, enforce regulations, require notice, and collect taxes be waived or suspended in order to facilitate the operation of government or for the safety and protection of the civilian population.

The county treasurers have authority during a state of emergency to grant extensions of the due date of any property taxes. Likewise, the Department of Revenue (DOR) may grant extension of the due date of any taxes due to DOR. DOR may also allow the small forest landowner to retain that classification even though a harvest occurs of up to five million board feet of timber from December 31, 2007, through January 1, 2010.

During a state of emergency the Governor may waive the requirement for a special liquor purchase permit for alcohol to be used for industrial, business, or medical purposes.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 12, 2008

July 1, 2008 (Section 602)

SJM 8024

Requesting that Highway 112 be named the "Vietnam War Veterans' Memorial Highway."

By Senators Hargrove, Haugen, Benton, Franklin, Spanel, Marr, Sheldon, Roach, Hobbs, Kilmer, Shin, McAuliffe, Rasmussen and Carrell.

Senate Committee on Transportation
House Committee on Transportation

Background: Current law authorizes the Washington Transportation Commission (Commission) to name or re-name state transportation facilities, such as state highways, bridges, and ferry terminals.

The entity or person requesting the naming must provide evidence, as determined by the Commission, indicating community support and acceptance of the proposal. Historically, the Legislature passing a memorial in support of a naming proposal has been

considered by the Commission as a measure of community support.

The Commission typically holds public hearings on naming proposals to collect additional input from residents, elected officials, and other groups who represent the area encompassing the transportation facility to be named.

Summary: The Legislature requests that the Commission name Highway 112 in Clallam County, between the junction of Highway 101 and the junction of Highway 113, the "Vietnam War Veterans' Memorial Highway."

In its message to the Commission, the Secretary of Transportation, and the Washington State Department of Transportation, the memorial recognizes those who served in Vietnam and the sacrifices they made.

Votes on Final Passage:

Senate	47	0
House	96	0

SJM 8028

Requesting that the President and Congress support the participation of Taiwan in the World Health Organization.

By Senators Shin, Berkey, Honeyford, Hobbs, Swecker, Delvin, Roach, Rasmussen and Benton.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The World Health Organization (WHO) is one of the original agencies of the United Nations. Responsibilities of the WHO include: the international classification of disease; producing health guidelines and standards; assisting countries in addressing public health concerns; coordinating international responses to infectious diseases, such as smallpox, polio, and most recently, SARS and Avian Flu; supporting research; and working to prevent chronic diseases and enhance global health security. All countries which are members of the United Nations may become members of WHO by accepting its Constitution. Other countries may be admitted as members when their application has been approved by a simple majority vote of the World Health Assembly. Territories which are not responsible for the conduct of their international relations may be admitted as associate members upon application made on their behalf by the member or other authority responsible for their international relations.

The United States maintains strong, unofficial relations with Taiwan, and has supported Taiwan's membership in appropriate international organizations, such as the World Trade Organization, where statehood is not a requirement for membership.

Summary: Congress, the President of the United States, and others are urged to support Taiwan's participation in the World Health Organization.

Votes on Final Passage:

Senate	49	0
House	85	8

2ESSCR 8407

Addressing liquor laws.

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Clements, Keiser and Parlette).

Senate Committee on Labor, Commerce, Research & Development

Background: The Liquor Control Board (LCB) is responsible for overseeing the manufacture, sale, and distribution of spirits, beer, and wine in this state. The statutes that the LCB enforces were originally passed in 1933. The statutes have been amended over the years to accommodate certain issues raised by different interest groups.

Summary: A joint select committee on beer and wine regulation is established. The committee must review laws relating to the manufacture, distribution, and sale of beer and wine to determine whether those laws should be continued in their present form or changed to decrease the number of bills introduced in the Legislature each year.

The committee consists of eight members including the chair and ranking minority members of the Senate Labor, Commerce, Research and Development Committee and the House Commerce and Labor Committee. The leaders of the two largest caucuses in the Senate and House must each appoint one member of their respective caucus.

The joint select committee is to report its findings and recommendations to the appropriate committees of the Legislature by December 1, 2008.

Votes on Final Passage:

Senate	32	17
House	70	27

Sunset Legislation

Background: The Legislature adopted the Washington State Sunset Act (43.131 RCW in 1977 in order to improve legislative oversight of state agencies and programs. The sunset process provides for the automatic termination of selected state agencies, programs, units, subunits, and statutes. Unless the Legislature provides otherwise, the entity made subject to sunset review must formulate the performance measures by which it will ultimately be evaluated. One year prior to an automatic termination, the Joint Legislative Audit and Review Committee and the Office of Financial Management conduct program and fiscal reviews. These reviews are designed to assist the Legislature in determining whether agencies and programs should be terminated automatically or reauthorized in either their current or a modified form prior to the termination date.

Session Summary: Legislation established sunset reviews for:

(1) Manufacturing Innovation and Modernization Extension Service Program, with termination on June 30, 2012, and repeal of the act on June 30, 2013; and

(2) Sex Offender Policy Board, with termination on June 30, 2013, and repeal of the act on June 30, 2014.

Legislation repealed the requirement for the Office of the Public Defense to be terminated on June 30, 2008, and repealed on June 30, 2009.

Programs Added to Sunset Review

Manufacturing Innovation and Modernization Extension Service Program

SSB 6510 (C315 L 08)

Sex Offender Policy Board

SSB 6596 (C 249 L 08)

Program Removed from Sunset Review

Office of Public Defense

ESSB 6442 (C 313 L 08)

Section II: Budget Information

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Washington State Veterans' Memorials

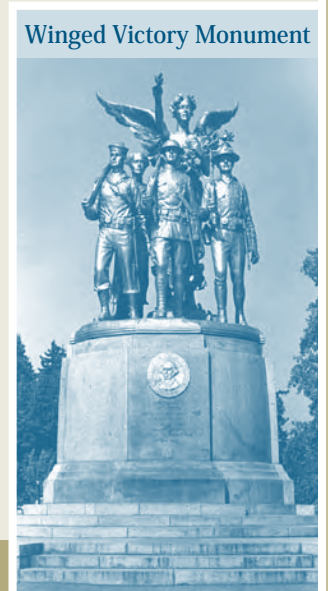
Korean War Memorial: The Korean War Veterans Memorial was authorized in 1989 by the Washington State Legislature and has two purposes: to express the gratitude of the citizens of this state for all who served in Korea; and, to project the spirit of service, willingness to sacrifice, and dedication to freedom in remembering those Washingtonians who lost their lives in the war.

Of the 2.5 million Americans who served in Korea, 122,000 were from Washington State. The names of 528 state residents listed as killed in action during the war are permanently engraved on the memorial.

*To read more about the Washington State Veterans Memorials, visit:
www.leg.wa.gov/OutsideTheLegislature/WashingtonStateInfo/Memorials*



Medal of Honor



Winged Victory Monument

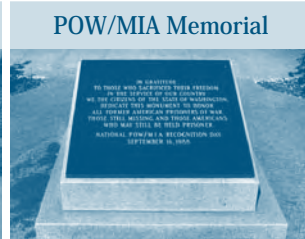
60th Washington State Legislature



World War II Memorial



Law Enforcement Memorial



POW/MIA Memorial



Vietnam Veterans Memorial



Korean War Memorial

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2008 Supplemental Omnibus Budget Overview - Operating Only

The enacted budget appropriates an additional \$215 million General Fund-State (GF-S) in the 2008 supplemental budget, leaving a total of \$850 million in reserve, of which \$405 million is in the ending fund balance and \$446 million is in the new Budget Stabilization Account (BSA).

Budget Context

In April 2007, the Legislature enacted the 2007-09 biennial operating budget with a projected GF-S ending fund balance of \$560 million and BSA ending balance of \$165 million, for a total of \$725 million in reserve in these two accounts. (The Legislature assumed the BSA would be approved by the voters in November 2007, which it was.)

The revenue forecast increased in June and September of 2007 before declining in November 2007 and February 2008. The cumulative effect of the forecast updates was to increase reserves to \$970 million, with \$524 million in the GF-S ending balance and \$446 million in the BSA ending balance.

By February 2008, the costs of maintaining current programs and services, in the near general fund, had increased by \$189 million from the levels estimated in April 2007.

When the Governor released her budget proposal in December, the Governor used the caseload and revenue forecasts from November 2007. As is traditionally done, the Legislature based their budget proposal on caseload and revenue forecasts updated the following February. From the November to the February forecasts, projected revenue declined by \$423 million, while the projected cost of maintaining current service levels increased by \$75 million.

Expenditure Changes

Before a partial veto, the total "Near" General Fund-State (NGF-S) appropriation level in the 2008 supplemental totaled \$306 million, including \$189 million of maintenance level increases and the following policy level changes:

- \$50 million of K-12 increases (including the Special Education Medicaid change);
- \$27 million of increases for long-term care, developmental disabilities, and mental health;
- \$10 million for higher education;
- \$30 million for corrections and criminal justice;
- \$16 million for housing;
- \$27 million of lawsuit costs;
- \$72 million of other spending; and
- Savings of \$115 million from the Public Employees Benefits Board rate reductions.

The Governor, through a series of partial vetoes, reduced the Supplemental Budget NGF-S change from \$306 million (\$230 million of that in the state general fund) to \$291 million (\$215 million of that in the state general fund).

2008 Supplemental Operating Budget

The State Expenditure Limit and the “Near General Fund”

Initiative 601, enacted by the voters in 1993, established an expenditure limit for the state general fund. Under legislation enacted in 2005 and taking effect for 2007-09 and thereafter, the state expenditure limit applies to the state general fund and five additional “related funds”. The funds subject to the limit are: General Fund-State, Health Services Account-State; Violence Reduction and Drug Enforcement Account-State; Public Safety and Education Account-State (including the Equal Justice Subaccount); Water Quality Account-State; and Student Achievement Fund-State.

Throughout this document, the term “Near General Fund” is used. The amounts shown using this definition capture a broader picture of spending than the general fund by including the accounts subject to the limit listed above as well as two additional accounts. The additional accounts are the Pension Funding Stabilization Account-State and the Education Legacy Trust Account-State.

The report on the following page shows the budgeted amounts for the 2007-09 biennium and how those amounts were modified by the 2008 supplemental budget.

Fee Authorization

Pursuant to Initiative 960, increases were authorized, subject to designated limits, for specified fees in the Department of Labor and Industries, Department of Health, Department of Ecology, Department of Agriculture, and Department of Licensing.

Authority is affirmed for both four-year and two-year colleges and universities to increase 2008-09 resident undergraduate tuition rates over tuition rates charged to resident undergraduates for the 2007-08 academic year based at the same levels authorized in the 2007-09 omnibus appropriations act (University of Washington and Washington State University – up to 7 percent; Central Washington University, Eastern Washington University, The Evergreen State College, and Western Washington University – up to 5 percent; and the Community and Technical Colleges – up to 2 percent). In addition, institutions are provided authority to increase tuition for graduate, professional, and non-resident undergraduate students as well as to increase other specified fees such as student services and activities fees.

Other Resource Changes

The budget also transferred a net of \$101 million from various dedicated accounts into the state general fund, and assumed \$1 million in net budget driven revenue.

**Washington State Omnibus Operating Budget
Near General Fund-State Summary Report
Includes Other Legislation**

(Dollars in Thousands)

	2007-09 Biennium		
	Base	Supp	Revised
<i>Funds Subject to the Limit</i>			
General Fund-State (GF-S)	29,622,901	215,303	29,838,204
Public Safety & Education Account-State (PSEA-S)	174,883	14,620	189,503
Equal Justice Subacct of the PSEA-State (EJA-S)	12,705	0	12,705
Water Quality Account-State (WQA-S)	101,557	-6,239	95,318
Violence Reduction/Drug Enforcement-State (VRDE-S)	120,792	-3,694	117,098
Student Achievement Fund-State (SAF-S)	869,771	-1,432	868,339
Health Services Account (HSA-S)	1,455,303	76,803	1,532,106
Subject to the Limit Total (LMT-S)	32,357,912	295,361	32,653,273
<i>Other Near General Fund-State Funds</i>			
Education Legacy Trust Account-State (ELT-S)	558,486	-4,549	553,937
Pension Funding Stabilization Acct-State (PFSA-S)	448,009	0	448,009
Total Near General Fund-State (NGF-S)	33,364,407	290,812	33,655,219

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2008 legislative session and appropriations contained within other legislation shown on the "Appropriations Contained Within Other Legislation" page.

2007-09 Estimated Revenues and Expenditures

General Fund-State

(Dollars in Millions)

RESOURCES	
Beginning Fund Balance	780.5
November 2007 Forecast	29,886.4
February 2008 Update	-423.4
Total Revenue	29,462.9
Legislation with Revenue Impacts	-6.3
Transfer to Budget Stabilization Account	-136.1
Budget Driven Revenue	1.3
Transfers to/from Other Funds (2007)	39.8
Transfers to/from Other Funds (2008)	101.0
Total Revenues and Resources	30,243.2
EXPENDITURES	
2007-09 Enacted Budget	29,622.9
2008 Supplemental Budget	230.4
Effect of Governor's Partial Veto	-15.1
2007-09 Appropriations	29,838.2
RESERVES	
Projected General Fund Ending Balance	404.9
Emergency Reserve Fund (ERF) Beginning Balance	293.3
New Deposits	0.0
Interest	9.1
Transfer To Budget Stabilization Account	-302.4
Projected Emergency Reserve Fund Ending Balance	0.0
Budget Stabilization Account Beginning Balance	0.0
Transfer To Budget Stabilization Account (From ERF)	302.4
Interest	7.1
New Deposits	136.1
Projected Budget Stabilization Account Ending Balance	445.7
Total Reserves (General Fund plus Budget Stabilization)	850.6

2007-09 Washington State Omnibus Operating Budget
Cash Transfers to/from the General Fund
(Dollars in Millions)

	2007-09
Transfers to General Fund-State	
Education Legacy Trust Account	67.0
Treasurers Service Account	11.0
Pension Funding Stabilization Account	10.0
Economic Development Strategic Reserve	4.0
Dept of Retirement Systems Expense Account	5.0
Public Safety & Education Account	6.0
Convention & Trade Center Capital Account	52.0
Convention & Trade Center Operating Account	5.0
Total	160.0
 Transfers from General Fund-State	
Columbia River Water Delivery Account *	-6.0
Health Services Account	-53.0
Total	-59.0
 Net Transfers to/from General Fund-State	101.0

* Note: Transfer made in Chapter 82, Laws of 2008 (E2SSB 6874).

**2007-09 Washington State Omnibus Operating Budget
Adjustments to the Initiative 601 Expenditure Limit**

(Dollars in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>
Unadjusted Limit (FY 2008: Adopted by ELC 11/2007)	16,002.1	16,850.1
(FY 2009 limit rebased to FY 2008 expenditures)		
Adjustments to the Expenditure Limit		
2007-09 Program Costs Shifts		
FY 2009 Changes Adopted by the ELC		-54.4
2008 Supplemental -- Program Cost Shifts		
State Patrol: Fingerprint ID Account/Criminal Records		-3.0
State Patrol: Cost Allocation Adjustment	-1.5	
Admin Office of Courts: Judicial Information Fund - Adjustment	-1.5	
Dept Comm, Trade, & Econ Dev: Administrative Contingency Transfer	-0.9	
Comm & Tech College System: Job Skills Fund Source Change		-3.0
DSHS Children & Family Svcs: Targeted Case Management	4.6	9.3
DSHS Children & Family Svcs: Mandatory Caseloads	-4.4	1.0
DSHS Children Family Svcs: Foster Care Passport to College		0.1
DSHS: Reduced Federal Financial Participation	2.1	0.2
DSHS Mental Health: State Hospital Revenues	-4.8	-0.2
DSHS Economic Services: Federal Food Stamp Program-Bonus	-2.9	2.9
DSHS Medical Assistance: Medicare Part D Clawback/FMAP		1.3
DSHS Medical Assistance: Medicare Part D Clawback Adjustment	-3.1	-3.1
DSHS Medical Assistance: Hospital Hold Harmless Adjustment	-8.7	14.8
DSHS Vocational Rehab: Technical Adjustment/Compensation	-1.1	-0.5
DSHS Admin: Fund Source Adjustment	-0.4	0.0
DSHS: FMAP Changes		27.6
Dept of Health: Early Hearing Loss Program (Fed Loss)		0.3
Dept of Health: Local Funding Adjustments	-0.1	-1.3
Dept of Health: Core Public Health Functions	0.1	0.3
Dept of Health: Title XIX Changes	0.4	0.4
Veterans' Affairs: Federal and Local Fund Adjustments	-0.5	-1.3
Conservation Commission: Move Livestock Projects to Capital	-2.0	
Dept Fish & Wildlife: HPA Backfill Technical Correction	-0.6	0.6
Puget Sound Partnership: Low Impact Development Fund Shift	-0.3	
2008 Supplemental Budget -- Legislation Impacting the Limit		
SSB 6297 -- Prosecutor Salaries		-0.9
E2SSB 6874 -- Columbia River Water		-6.0
Revised Limit	15,976.5	16,835.1

*Notes: Adjustments are for display purposes only and are not official until adopted by the State Expenditure Limit Committee (ELC).
The limit for FY 2009 is rebased to FY 2008 projected actual spending (FY 2008 appropriations are used as the proxy).
Fiscal Growth factors for FY 2008 (5.53 percent) and FY 2009 (5.57 percent) are as adopted at the November 2007 ELC meeting.*

2007-09 Washington State Budget
Appropriations Contained Within Other Legislation
(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Total
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OPERATING APPROPRIATIONS

2007 Legislative Session

SHB 1279 - Poet Laureate Program	C 128 L 07	Special Approps to the Governor	30	30
E2SSB 5659 - Family Leave Insurance Pgm	C 357 L 07	Department of Labor & Industries	0	18,000
ESSB 6157 - Offender Reentry	C 483 L 07	Department of Corrections	2,600	2,600
Total			2,630	20,630

2008 Legislative Session

2SHB 1273 - Financial Fraud & ID Theft	C 290 L 08	Dept Community, Trade, & Econ Dev	0	488
SB 6272 - Financial Literacy	C 3 L 08	Department of Financial Institutions	1,500	1,500
SB 6335 - Homeless Families Services	C 2 L 08	Special Approps to the Governor	6,000	6,000
Total			7,500	7,988

CAPITAL APPROPRIATIONS

2008 Legislative Session

HB 3375 - Flood Relief--Funding	C 180 L 08	Office of Financial Management	0	50,000
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Revenues

In November 2007, the Legislature met in special session to reinstate the provisions of Initiative 747 (I-747). I-747 reduced the property tax levy limit to 1 percent growth. The State Supreme Court invalidated I-747 due to concerns that the amendments proposed by I-747 did not fully state the law that was being changed. I-747 amended language approved by voters under Initiative 722 (I-722), but I-722 had been invalidated by the court prior to the vote on I-747. The following two bills were adopted during the special session.

Chapter 1, Laws of 2007, 1st sp.s. (HB 2416), limits regular property tax growth levies at the district level to no more than 1 percent growth annually. HB 2416 enacts the substantive provisions adopted by the voters under I-747. The provisions of HB 2416 are retroactive to, and prospective from, taxes levied for collection in 2002. The retroactivity extinguishes the additional levying capacity resulting from the November 2007 Court ruling but lets stand any banked capacity accumulated prior to the court ruling and the authority to continue to bank future unused capacity. The reduction in state property tax revenue is: \$35,089,000 for 2007-09 and \$96,913,000 for 2009-11.

Chapter 2, Laws of 2007, 1st sp.s. (SSB 6178), allows individuals with an annual household income of \$57,000 or less to defer 50 percent of yearly real property taxes and special assessments. A qualifying individual pays one-half of yearly real property taxes and special assessments by April 30th and receives a deferral for the remaining half. Deferred amounts accrue interest at the federal short-term rate plus two percentage points. An individual may not defer taxes or assessments for the first five years the individual owns the residence. The deferred amount may not exceed 40 percent of the equity of the home. Local taxing districts are reimbursed by the state for the local property taxes that are deferred under the program. Estimated reimbursement to local jurisdictions is \$5 million for 2007-09 and \$12.8 million for 2009-11.

The 2008 Legislature enacted 37 tax-related measures. One bill, Chapter 324, Laws of 2008 (SB 6799), increased revenue. The other bills either reduced revenue or were revenue neutral. A net reduction of about \$5 million in revenue is expected for 2007-09 biennium.

Significant legislation included the following:

- Business and Occupation (B&O) tax reduction for electronic versions of newspapers;
- Sales and use tax exemptions on weatherization materials;
- Sales and use tax deferral on the 520 bridge project;
- B&O tax reduction for grocery store cooperatives;
- A new tax credit for the development of a polysilicon manufacturing facility;
- Reversal of the destination sourcing for delivery of flowers; and
- An extension of certain tax breaks to additional firms in the aerospace industry.

Electronic Versions of Newspapers

Chapter 273, Laws of 2008 (SHB 2585), extends the lower B&O tax rate (0.484 percent) available for printed newspapers to the electronic version of these newspapers (now taxed at 1.5 percent). The treatment is limited to three years, from July 1, 2008, until July 1, 2011.

Weatherization Materials

Chapter 92, Laws of 2008 (ESHB 2847), provides exemptions from retail sales/use tax to weatherization materials that are installed in residences and financed by federal funds under the Weatherization Assistance program. The Weatherization Assistance program was enacted by Congress in 1976 to help low-income families upgrade the energy efficiency of their homes.

State Route 520 Bridge Project

Chapter 270, Laws of 2008 (ESHB 3096), provides that state and local sales/use tax on site preparation, construction of the new highway 520 bridge, and equipment that is rented for use on the project may be deferred for five years following completion of the 520 bridge.

Grocery Store Cooperatives

Legislation enacted in 2001 allowed a B&O deduction from B&O wholesaling tax for distributions by member-owned grocery cooperatives of items to their member grocery stores. That legislation applied a rate of 1.5 percent on the value of wholesales less the deduction. Chapter 49, Laws of 2008 (HB 3275), extends this same treatment to a grocery distribution cooperative that acquired the assets of the grocery distribution cooperative that was a beneficiary of the 2001 legislation.

Polysilicon Manufacturing Facility

Chapter 283, Laws of 2008 (ESHB 3303), establishes a new tax incentive for a manufacturer of polysilicon, an essential component of solar panels. The bill requires that the plant be located in Walla Walla County and that the investment total at least \$500 million. Starting on July 1, 2009, a B&O credit is available equal to 7.5 percent of expenditures made for research and development (R&D) of the technology, for design and development of the facility, for engineering of the tooling and production processes, and for training of employees. The credit is limited to \$1 million annually for a single firm and may be taken until July 1, 2024.

Delivery of Flowers

Starting on July 1, 2008, Washington will switch to destination-based sourcing of retail sales tax, pursuant to the national Streamlined Sales and Use Tax Agreement. This means that local sales taxes on products that are delivered will be coded to the buyer's location, rather than the point from which shipment was originated. This will interfere with the system developed many years ago by the florist industry under the FTD network. Chapter 324, Laws of 2008 (SB 6799), allows florists to continue to code their sales at the location of the florist who takes the order for the product.

Aerospace Industry

Chapter 81, Laws of 2008 (SSB 6828), extends existing aerospace tax incentives to additional aerospace activities. Firms that develop tooling for the aerospace manufacturing process and firms that engage in the development of aerospace products are eligible for tax incentives. Incentives include the following: a sales/use tax exemption for computers and software used in design and engineering; a B&O tax credit for expenditures for R&D, engineering and design activities; a reduced B&O tax rate for the manufacturing of tooling used in the manufacture of commercial aircraft and for FAR Part 145 aircraft repair stations; and a B&O tax credit for property or leasehold taxes paid on aerospace facilities. In addition, a new B&O tax rate category of 0.9 percent is established for firms that engage in the development of aerospace products and provide aerospace services.

2008 Revenue Legislation

General Fund-State

Dollars in Thousands

**FY 2009
Impact**

Tax-Related Bills			
E2SHB	1621	Manufactured/Mobile Home	-19
3SHB	2053	Motor Vehicle Fuel	-125
HB	2460	Amphitheater Property	-12
HB	2542	Cigarette Taxes	0
HB	2544	Temporary Medical Housing	-31
SHB	2585	Newspaper Supplement Tax	-867
HB	2650	Cigarette Tax Agreement	0
HB	2678	Timber Industry Tax	-34
ESHB	2847	Weatherization Assistance	-276
ESHB	3096	State Route 520 Bridge	-251
2SHB	3104	Domestic Partnerships	0
SHB	3120	Construction Tax Exemption	0
SHB	3126	Local Governments to License/Tax	0
HB	3151	National Disaster Counties	0
HB	3188	Waste Vegetable Oil	0
HB	3275	Grocery Distribution Cooperatives	-1,100
SHB	3283	Military Personnel/Taxes	-53
ESHB	3303	Polysilicon Manufacturers	0
HB	3362	Energy Efficient Equipment	-106
SSB	5256	Veterans/Property Tax Relief	0
E2SSB	6111	Tidal and Wave Energy	0
SSB	6195	Rural County Definition	0
SB	6196	Local Infrastructure Finance	0
SB	6216	Cigarette Tax Contract	0
SB	6375	Trail Grooming Services	-6
SSB	6389	Military Housing	0
SSB	6423	Motion Picture Program	0
2SSB	6468	Honey Beekeeper Taxation	-74
2SSB	6626	Community Empowerment Zones	0
SB	6638	Heritage and Arts Programs	0
ESB	6641	Property Tax Levy Limits	0
ESB	6663	Tax Program Administration	0
SB	6799	Florists' Personal Property	147
SSB	6806	Anaerobic Digester	0
ESSB	6809	Earned Income Tax Credit	0
SSB	6828	Aerospace Industry	-2,166
SSB	6851	Inheritance/Tax Exemption	0
SB	6950	Emergencies/Limited Waiver	0
Subtotal			-4,973

2008 Revenue Legislation

General Fund-State

Dollars in Thousands

			FY 2009 Impact
Penalties, Fees, Interest, and Transfers			
SHB 2602	Victims' Employment Leave		38
EHB 3360	Linked Deposit		-210
EHB 3381	Washington Health, Safety, & Other		42
SSB 6224	Vendor Overpayments		-260
SSB 6297	Prosecutor Salaries		-916
Subtotal			-1,306
Total General Fund-State Revenue Impact			-6,279

Revenue Legislation

The legislation listed below is intended to be a summary of bills passed during the 2008 session that affect state revenues or state or local government tax statutes. The dollar amounts reflect the impact for the state general fund for: (1) the second year of the current biennium (FY 2009) and (2) the full amount for the ensuing 2009-11 biennium.

Real Estate Excise Tax Exemption for Mobile Home Parks

Chapter 116, Laws of 2008 (E2SHB 1621), encourages owners of mobile home and manufactured housing parks who seek to sell such parks to negotiate with the tenants or a local government jurisdiction dealing with housing. In addition, the act repeals the right of first refusal for such sales, since this was declared unconstitutional by the State Supreme Court in 2000. The act provides that if a mobile home or manufactured housing community is sold to the tenants or to a qualified local agency before the end of 2018, then real estate excise tax does not apply to the sale. Reduction in state revenues: FY 2009 = \$19,000; 2009-11 biennium = \$57,000.

B&O Tax Credit for Electrical Generators

Chapter 223, Laws of 2008 (3SHB 2053), establishes a tax incentive for gasoline service stations. The act provides a credit for the service station owner equal to one-half of the cost of obtaining an alternative electrical generation device, including the cost of wiring the facility to accommodate the device. The credit is limited to \$25,000 per taxpayer and an overall cap of \$750,000 per biennium applies to the program. The credit is also limited to three fiscal years and will expire on June 30, 2011. Reduction in state revenues: FY 2009 = \$125,000; 2009-11 biennium = \$250,000.

Leasehold Tax Exemption for Amphitheater

Chapter 194, Laws of 2008 (HB 2460), amends a 2005 statute which authorized an exemption from leasehold excise tax for an amphitheater in Clark County. The original statute specified that the county population had to be within the range of 350,000 to 425,000. Because of rapid growth in Clark County, there is concern that the facility might no longer qualify for the exemption. This act stipulates that the population had to be within the specified range at the time the facility was opened to the public (July 2003). Assuming the exemption would otherwise have expired, the reduction in state revenues is: FY 2009 = \$12,000; 2009-11 biennium = \$96,000.

Cigarette Tax Enforcement

Chapter 226, Laws of 2008 (HB 2542), relates to enforcement of state cigarette taxes upon the Yakama Indian Reservation. It is in response to a 2007 federal Court of Appeals ruling that affirmed the treaty rights of Yakama tribal members to travel freely throughout the state. The required advance notice of transporting unstamped cigarettes was ruled to be in violation of that right. In response, this legislation specifically recognizes the unique treaty rights granted to the Yakamas by the federal government in 1855. It also affirms the right of the state to take necessary enforcement actions in the administration of cigarette taxes. Specifically, the act requires purchasers of unstamped cigarettes to provide advance notice to the Liquor Control Board prior to taking possession. It also increases penalties for unlawful possession of unstamped cigarettes. There is no direct impact on state revenues.

Tax Exemptions for Temporary Medical Housing

Chapter 137, Laws of 2008 (HB 2544), establishes new exemptions from sales and lodging taxes for qualified housing at lodging facilities that are associated with a public or nonprofit hospital. The exemption applies to any charges for lodging, up to 30 days in duration, by a nonprofit health or social welfare organization for a patient who is undergoing treatment at the hospital or an affiliated outpatient clinic. In addition, the patient's immediate family may stay at the facility without incurring tax liability. Reduction in state revenues: FY 2009 = \$31,000; 2009-11 biennium = \$69,000.

B&O Tax on Electronic Versions of Newspapers

Chapter 273, Laws of 2008 (SHB 2585), changes the application of B&O tax for newspapers. Printed newspapers are subject to a rate of 0.484 percent, while income associated with electronic or Internet versions of the newspaper are taxed at 1.5 percent. This act reduces the latter to 0.484 percent for three years, from July 1, 2008, until July 1, 2011. In addition, the act places the Department of Revenue's (DOR's) current interpretation regarding newspaper supplements in statute. If the supplement is distributed in the same geographic area as the printed newspaper, then income related to the supplement qualifies for the 0.484 percent tax rate. Otherwise, the 1.5 percent service rate applies. Reduction in state revenues: FY 2009 = \$867,000; 2009-11 biennium = \$2,757,000.

Cigarette Tax Agreement with Yakama Nation

Chapter 228, Laws of 2008 (HB 2650), authorizes a new contract between the state and the Yakama Nation. Since 2001, contracts have been authorized with 28 tribal entities; currently there are 20 such agreements in force. This legislation provides the basis for a new agreement with the Yakamas. (A previous agreement is in mediation over issues of noncompliance.) Under the new agreement when it is signed, the tribe will enact a tribal cigarette tax equal to 80 percent of the state tax rate. The rate will increase to 84 percent by the seventh year and to 87.6 percent by the eighth year. The agreement is subject to renewal after its original eight-year term. There is no direct impact on state cigarette tax revenues although the state will benefit from the reduced incentive for purchasers to avoid the state tax.

B&O Tax Rate on Timber & Wood Products

Chapter 296, Laws of 2008 (HB 2678), relates to a preferential B&O tax rate that was enacted in 2006 for extracting and wholesaling of timber and manufacturing of timber and wood products. The act broadens activities that qualify for the reduced 0.2904 percent tax rate to include production of biocomposite surface products that include recycled paper. The tax reduction is retroactive to July 1, 2007. Reduction in state revenues: FY 2009 = \$34,000; 2009-11 biennium = \$34,000.

Sales Tax Exemption for Weatherization Materials

Chapter 92, Laws of 2008 (ESHB 2847), extends exemptions from retail sales/use tax to weatherization materials that are installed in residences. This includes insulation and other materials to increase the thermal efficiency of a residence. The act requires that the project be financed by federal funds under the Weatherization Assistance program. This program was enacted by Congress in 1976 to help low-income families upgrade the energy efficiency of their homes. Reduction in state revenues: FY 2009 = \$276,000; 2009-11 biennium = \$578,000.

Replacement of Highway 520 Bridge; Deferral of Sales Tax

Chapter 270, Laws of 2008 (ESHB 3096), relates to the proposed new bridge across Lake Washington. The act specifies that a new bridge shall include four lanes for general-purpose traffic, two lanes for high-occupancy vehicles, and connection for transit near the University of Washington campus. The financing plan will include the application of tolls to the existing bridge, pursuant to a recommendation from a new tolling implementation committee established by the act. ESHB 3096 also provides that state and local sales/use tax on site preparation, construction of the new bridge, and equipment that is rented for use on the project may be deferred. Repayment is made with ten annual payments beginning five years after the project is completed. Reduction in state revenues: FY 2009 = \$251,000; 2009-11 biennium = \$14,963,000; 2011-13 biennium = \$23,200,000.

Domestic Partners Act

In 2007, legislation established a domestic partnership registry and defined the eligibility for same-sex couples. Chapter 6, Laws of 2008 (2SHB 3104), amends a variety of statutes that concern the rights and responsibilities of spouses. In the area of tax law, the following programs are amended to include the term domestic partner: real estate excise tax pertaining to the assignment of property pursuant to a decree of dissolution; senior citizens property tax deferrals and deferrals for lower income households; and ownership of property that is eligible for the senior citizens property tax exemption. There is no direct reduction in state revenues.

Revenue Legislation

Study of Tax Incentives for Green Building

Chapter 235, Laws of 2008 (SHB 3120), requires a study of tax incentives to encourage the construction of energy-efficient residential, commercial, and public buildings. The focus will include sales/use tax exemptions, as well as B&O tax provisions for contractors and architects that design and build energy-efficient structures. The act requires the Department of Community, Trade, and Economic Development to conduct the study, with assistance from DOR. The study will examine the revenue impact of various incentives, the possible cost savings to owners, and the potential reduction in emissions. The study is due to the Legislature by December 1, 2008. There is no reduction in state revenues.

Municipal Business Taxes; Remote Sellers

Chapter 129, Laws of 2008 (SHB 3126), amends a variety of statutes that authorize cities to levy a local business tax. The purpose is to acknowledge the effect of the Streamlined Sales and Use Tax Agreement, which becomes fully effective on July 1, 2008. On that date, Washington's sales tax shifts to a destination-based tax, instead of the current origin-based sourcing, in order to be consistent with other states which have already joined the Agreement. As a result, cities will begin to receive reports of sales taxes coded to their jurisdiction for transactions in which the purchaser resides in the city. This act merely affirms that the vendor is not liable for the local business tax, if the firm is not actually located within the city. There is no impact on state revenues.

Lewis County Regional Center

Chapter 48, Laws of 2008 (HB 3151), extends the construction date for a regional center in Lewis County. In 2007, the local sales tax that allows public facility districts to impose a state-credited tax of 0.033 percent was broadened to permit a facility in this County. However, construction had to be initiated by the end of 2008. This act pushes that date back by two years to allow more time for plans to be developed and construction to commence. There is no impact on state revenues because information submitted for this project indicates that construction might still commence by the existing required date.

Tax Exemptions for Waste Vegetable Oil Used for Biodiesel Fuel

Chapter 237, Laws of 2008 (HB 3188), creates new exemptions from special fuel tax and retail sales/use tax for waste vegetable oil that is collected from restaurants and food processors and is used to produce biodiesel fuel. The resulting fuel must be for personal use and cannot be sold commercially. The impact on state revenues is minimal.

B&O Tax Exemption for Grocery Cooperatives

Chapter 49, Laws of 2008 (HB 3275), amends a 2001 tax exemption for certain associations of grocery stores. Legislation enacted in 2001 allowed a B&O deduction from B&O wholesaling tax for distributions by member-owned grocery cooperatives of items to their member grocery stores. That legislation applied a rate of 1.5 percent on the value of wholesales less the deduction. HB 3275 extends this same treatment to a grocery distribution cooperative that acquired the assets of the grocery distribution cooperative that was a beneficiary of the 2001 legislation. Reduction in state revenues: FY 2009 = \$1,100,000; 2009-11 biennium = \$3,600,000.

Waiver of Excise Tax Penalties/Interest

Chapter 184, Laws of 2008 (SHB 3283), concerns penalties that may be levied by the DOR for late payment, failure to file tax returns, failure to obtain a business registration, and other provisions pertaining to state excise taxes. It addresses businesses in which the majority owner is a member of the military and is assigned to a duty station outside of the country. The act provides that during periods of armed conflicts, DOR may waive such penalties and interest if the majority owner is on active duty outside of the country and is participating in an armed conflict. The waiver is limited to a two-year period. In order to qualify, the firm must have grossed less than \$1 million in the year before the owner was assigned to military service overseas. Reduction in state revenues: FY 2009 = \$53,000; 2009-11 biennium = \$116,000.

B&O Tax Credit for Polysilicon Manufacturer

Chapter 283, Laws of 2008 (ESHB 3303), establishes a new tax incentive for a manufacturer of polysilicon, an essential component of solar panels. The act requires that the plant be located in Walla Walla County and that the investment total at least \$500 million before any tax credits are taken. Starting on July 1, 2009, the credit will be available for pre-production expenditures made after January 1, 2008, as long as the local port district has signed a memorandum of understanding with the manufacturer by October 1, 2008. The credit equals 7.5 percent of expenditures made for research and development of the technology, for design and development of the facility, for engineering of the tooling and production processes, and for training of employees. Capital costs for land or machinery, construction of the facility, and actual production expenses are not eligible for the tax credit. Credits are limited to \$1 million annually for a single firm and may be taken until July 1, 2024. Recipients must file an annual report with DOR. Evaluations of the program are required by the Joint Legislative Audit and Review Committee by November 1 of 2014 and 2022. Reduction in state revenues: FY 2009 = \$0; 2009-11 biennium = \$2,000,000.

B&O Tax Credit for Energy-Efficient Commercial Appliances

Chapter 284, Laws of 2008 (HB 3362), establishes a two-year credit program to encourage restaurants, food stores, laundries, and similar small businesses to purchase new energy-efficient appliances. Eligible purchases include freezers and refrigerators, clothes washers, icemakers, gas convection ovens, deep fat fryers, hot food holding cabinets, and steam cookers. The appliances must meet specified ratings of energy efficiency. The credit equals 8.8 percent of the purchase price of qualified appliances. To qualify, the business must have gross receipts of less than \$750,000 the prior year; a cap of \$750,000 applies to all B&O tax credits taken under the program. The credit is allowable from July 1, 2008, to July 1, 2010. Reduction in state revenues: FY 2009 = \$106,000; 2009-11 biennium = \$106,000.

Senior Citizen Property Tax Exemption; Veterans Benefits

Chapter 182, Laws of 2008 (SSB 5256), amends the existing property tax exemption for qualified senior citizen and disabled homeowners. The definition of qualifying household income is amended to exclude certain federal payments to veterans and their survivors. Specifically, disability compensation or dependency and indemnity compensation will be excluded from qualifying income. Because the definition is linked to other similar programs, the act also affects the senior citizens property tax deferral program, the widows and widowers of veteran's reimbursement program, and the property tax deferral for lower-income homeowners. The only direct impact on state revenues will be increased reimbursements for local governments under the deferral programs; this amounts to roughly \$22,000 annually.

Tax Incentives for Tidal and Wave Energy Devices; Study; Partial Veto

Chapter 307, Laws of 2008, Partial Veto (E2SSB 6111), would have established new sales/use tax exemptions for devices that generate electricity that are located in salt water. These tidal and wave energy facilities utilize the horizontal or vertical motion of the device to produce energy. The exemptions were scheduled to expire on June 30, 2018. However, the Governor vetoed the tax exemption sections. The veto message indicated that such exemptions are more appropriate once the commercial viability of the technology has been established. The act also establishes a work group to facilitate the permitting process of these devices. A report is due by June 30, 2010. There is no impact on state revenues.

Revenue Legislation

Definition of Rural County; Public Utility Tax Credit

Chapter 131, Laws of 2008 (SSB 6195), makes uniform the definition of "rural" county for several economic development programs. The definition used for the 0.9 percent local sales tax and the rural county sales tax deferral is extended to other programs. Under this two-part definition, a rural county is: (1) one with a population density of fewer than 100 residents per square mile; or (2) one that is less than 225 square miles in area. Currently, 31 counties qualify under the density criterion and only Island County meets the size requirement. The act extends this definition to four programs, specifically including Island County in their coverage. Statutes dealing with the Community Economic Revitalization Board and the Rural Washington Loan Fund have no fiscal impact. Increased funding for the Contracts with Associate Development Organizations could require increased funds of \$40,000 annually. The only tax-related program is a public utility tax credit for contributions to a rural economic development revolving fund. The potential impact of extending this credit to Island County has not been quantified.

Local Infrastructure Financing; Vancouver Project

Chapter 209, Laws of 2008 (SB 6196), amends a 2006 program to finance local community revitalization projects with tax increment financing. Increased local and state tax receipts within a revenue development area are devoted to financing investments that benefit the revitalization project. This act changes the base year for measurement of the local revenues. If no local excise tax distributions are received by the city during the last five months of 2008, then the receipts for calendar year 2009 will be considered as the local excise tax allocation revenue. There is no direct impact on state revenues.

Cigarette Agreement with Shoalwater Bay Tribe

Chapter 241, Laws of 2008 (SB 6216), provides authorization for the state to enter into an agreement with the Shoalwater Bay Tribe relating to cigarette taxation. Such authority has previously been extended to 28 other tribes, and there are now 20 agreements in force. Pursuant to these agreements, the tribal authority has levied a tribal cigarette tax that is equivalent to the state cigarette and state and local sales taxes. There is no direct impact on state revenues.

Exemption for Trail Grooming Services

Chapter 260, Laws of 2008 (SB 6375), establishes a new exemption from state and local retail sales/use tax for wintertime grooming of trails. Grooming is defined as compacting, redistributing, or removal of snow. The exemption applies only to work done for the state or a nonprofit organization; it does not extend to commercial ski areas. Reduction in state revenues: FY 2009 = \$6,000; 2009-11 biennium = \$13,000.

Exemptions for Military Housing

Chapter 84, Laws of 2008 (SSB 6389), encourages private developers to construct and operate housing facilities for military families. Exemptions from property tax and leasehold excise tax are provided for housing facilities that qualify under the federal Military Housing Privatization Initiative. The land must be owned in fee by the federal government and must be used exclusively for housing of military personnel and their families. There is no direct effect on state revenues, although some shifts of property tax burden to other taxpayers will occur.

B&O Tax Credit for Motion Picture Contributions

Chapter 85, Laws of 2008 (SSB 6423), amends a program enacted in 2006 that encourages the filming of motion pictures, television shows, and commercials in this state. The act eliminates a cap of \$1 million on grants for productions that receive state assistance, and it revises the terms for the board members of the nonprofit organization that administers the program. A B&O tax credit for contributions to the program is also amended. The credit amount had been scheduled to drop to 90 percent of the amount contributed; this legislation retains the credit at the full 100 percent level. There is no reduction in state revenues because the overall cap of \$3.5 million continues to apply to the tax credits.

Exemptions for Beekeepers

Chapter 314, Laws of 2008 (2SSB 6468), establishes several new tax exemptions for beekeepers. Two new B&O tax exemptions are provided for persons who maintain bee colonies. To qualify, the colony must comprise at least 7,000 bees, plus one or more queen bees, and be housed in man-made hives. Wholesale sales of honey and other bee products by eligible apiarists will be exempt from B&O tax. In addition, income derived from pollination services provided to farmers is exempt from tax. New sales/use tax exemptions are also granted for purchases of honeybees by a qualified apiarist. Reduction in state revenues: FY 2009 = \$74,000; 2009-11 biennium = \$162,000.

Sales Tax Deferral/Exemption for Corporate Headquarters Facilities

Chapter 15, Laws of 2008 (2SSB 6626), creates a new deferral program for sales tax paid upon construction of a corporate headquarters building, as long as it is located in one of the six Community Empowerment Zones (CEZs) in the state. In order to qualify, the facility must cost at least \$30 million and must provide office space for at least 300 full-time employees. A maximum of two projects will qualify each biennium, and only one of these may be located in a single CEZ. Once completed, if the facility continues to meet program requirements, the deferred state and local sales tax need not be repaid, thus turning the deferral into an outright exemption. Applications for the deferral may be made from July 1, 2009, until the end of 2020. Participants must file annual reports with DOR, and DOR will report on the utilization of the program by December 1, of 2014 and 2018. Reduction in state revenues: FY 2009 = 0; 2009-11 biennium = \$2,596,000.

King County Lodging Tax Receipts

Chapter 264, Laws of 2008 (SB 6638), amends the 2.0 percent state-shared local tax on hotels and motels in King County. These revenues have been devoted to financing bonds on the Kingdome. Since 1989, a portion of the receipts has been earmarked for arts and heritage programs. This act eliminates the endowment fund for the arts and allows all of the earmarked receipts to be used for programs, rather than just the interest earnings. After the Kingdome roof repair bonds are retired, all of the proceeds of the tax will go to arts and heritage programs until December 2015, when the funds shift to Qwest Field bonds. At the beginning of 2021, the act diverts 37.5 percent of the lodging tax receipts to King County arts programs. The provisions of the act expire on July 1, 2009, thus forcing the Legislature to reconsider the long-term funding of the King County stadia and arts programs. There is no direct impact on state revenues.

Ballot Titles for Property Tax Levy Lid Lifts

Taxing districts may seek approval from the voters to increase their allowable regular property tax levies above existing statutory limitations. Chapter 319, Laws of 2008 (ESB 6641), clarifies that such levy "lid lifts" will be considered as temporary, unless the ballot title clearly specifies that the increased levy is to be permanent. There is no impact on state revenues.

Tax Administrative Provisions

Chapter 86, Laws of 2008 (ESB 6663), amends a variety of tax statutes to update references, remove extraneous language, and clarify or simplify existing laws. Statutes amended include: local sales taxes, cigarette tax rates, leasehold excise tax, and property taxes. The only substantive provision is elimination of a requirement for DOR to produce a biennial report on litter tax compliance. There is no impact on state revenues.

Sales Tax Sourcing for Florists

Starting on July 1, 2008, Washington will switch to destination-based sourcing of retail sales tax, pursuant to the national Streamlined Sales and Use Tax Agreement. This means that local sales taxes on products that are delivered by the vendor will be coded to the buyer's location, rather than the point from which shipment was originated. Since this will interfere with the system developed many years ago by the florist industry under the FTD network, Chapter 324, Laws of 2008 (SB 6799), allows florists to continue to code their sales according to the location of the florist who takes the order for the product. Compared with existing law, this is estimated to increase state revenues: FY 2009 = \$147,000; 2009-11 biennium = \$341,000.

Revenue Legislation

Exemptions for Anaerobic Digesters

Chapter 268, Laws of 2008 (SSB 6806), creates new property and leasehold excise tax exemptions for anaerobic digesters, which are used on dairy farms and livestock feeding operations. These facilities help to decompose livestock manure in a closed, oxygen-free container. The exemptions are effective for six years after they become operational; applications for the exemptions must be filed by the end of 2012. There is no revenue impact for the state, although some minor shifting of the state levy will result.

Sales Tax Remittance for Earned Income Credit Recipients

Chapter 325, Laws of 2008 (ESSB 6809), establishes a new program of tax relief for low- and moderate-income working families. The program provides remittances of state retail sales tax to households based on the amount of federal earned income tax credit (EITC) the household receives. The federal credit depends upon the level of income and family size. For example, a family with more than one child that filed jointly for 2007 taxes and had a maximum adjusted gross income of \$39,783 was eligible for a federal tax credit of \$4,716. The amount of the state remittance will equal 5 percent of the EITC (or \$25) for 2009 and 2010; the remittance rises to 10 percent of the EITC (or \$50) starting in 2011. Eligible households will make application to DOR starting in October 2009. However, in order for the program to be effective for any year, it must be specifically authorized in the budget. The Legislature has yet to authorize the remittance payments, so there is no actual impact on state revenue. As illustration of the potential impact, it has been estimated that the program would provide remittances of approximately \$77 million for fiscal year 2011, the first full year in which the program might be effective.

Expansion of Aerospace Tax Incentives

In 2003, a variety of excise tax incentives was created for firms that manufacture airplanes or components of commercial airplanes. In 2006, these were extended to aerospace firms that are not actually manufacturers of commercial airplanes. Chapter 81, Laws of 2008 (SSB 6828), further extends these incentives to firms that provide aerospace products or services, including development of tooling for the manufacturing process. Incentives include the following: a sales/use tax exemption for computers and software used in design and engineering; a B&O tax credit for expenditures for R&D, engineering, and design activities; a reduced B&O tax rate for the manufacturing of tooling used in the manufacture of commercial aircraft and for FAR Part 145 aircraft repair stations; and a B&O tax credit for property or leasehold taxes paid on aerospace facilities. All of these programs are broadened by this act. In addition, a new B&O tax rate category of 0.9 percent is established for firms that engage in the development of aerospace products and provide aerospace services. Reduction in state revenues: FY 2009 = \$2,166,000; 2009-11 biennium = \$5,553,000.

Real Estate Excise Tax; Documentation of Exemption

Administrative rules of DOR define the documentation necessary for heirs to establish that property inherited from a decedent is not subject to real estate excise tax. Chapter 269, Laws of 2008 (SSB 6851), places these requirements in statute. In addition, the act provides a new procedure that should simplify the transferring of real property to a surviving spouse or domestic partner. Now the surviving spouse or domestic partner need only produce a certified copy of the death certificate and sign an affidavit attesting that the survivor is the sole and rightful heir to the property. There is no impact on state revenues.

Emergency Extension of Tax Due Dates

Part V of Chapter 181, Laws of 2008 (SB 6950), allows DOR to extend the due date for filing state excise tax returns or paying tax assessments during an emergency that is declared by the Governor. Postponement of the due date may be initiated either by the Department or by any affected taxpayer within the impacted area. Section 509 adds a new provision for the timber excise tax. Small harvesters who cut less than two million board feet per calendar year are allowed to calculate the tax based on their actual receipts from the sale of the timber rather than using the applicable timber stumpage value tables. This legislation provides the same treatment for timber harvesters who cut up to five million board feet during calendar year 2008 or 2009, if the harvests occurred in a county that was declared by the President to be a disaster area due to the storms and flooding of December 2007. The revenue impact of this legislation is indeterminate.

Washington State Omnibus Operating Budget

2008 Supplemental Budget

TOTAL STATE

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	<u>Orig 07-09</u>	<u>2008 Supp</u>	<u>Rev 07-09</u>	<u>Orig 07-09</u>	<u>2008 Supp</u>	<u>Rev 07-09</u>
Legislative	165,845	1,445	167,290	170,750	1,354	172,104
Judicial	245,020	3,818	248,838	284,457	5,304	289,761
Governmental Operations	548,713	24,236	572,949	3,569,722	91,203	3,660,925
Other Human Services	2,739,120	-3,343	2,735,777	5,044,194	2,803	5,046,997
DSHS	9,872,000	137,444	10,009,444	19,142,583	221,858	19,364,441
Natural Resources	506,430	2,756	509,186	1,540,992	8,227	1,549,219
Transportation	90,176	-4,562	85,614	169,985	1,458	171,443
Public Schools	13,524,072	97,828	13,621,900	15,070,666	97,284	15,167,950
Higher Education	3,689,446	-35,700	3,653,746	9,282,202	-69,268	9,212,934
Other Education	184,163	4,275	188,438	443,499	4,121	447,620
Special Appropriations	<u>1,799,422</u>	<u>62,615</u>	<u>1,862,037</u>	<u>2,043,434</u>	<u>69,763</u>	<u>2,113,197</u>
Statewide Total	33,364,407	290,812	33,655,219	56,762,484	434,107	57,196,591

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2008 legislative session and appropriations contained in other legislation shown on the "Appropriations Contained Within Other Legislation" page. For a definition of Near General Fund-State, please see the "Omnibus Operating Budget Overview" page.

Washington State Omnibus Operating Budget
2008 Supplemental Budget
LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
House of Representatives	70,680	697	71,377	70,756	697	71,453
Senate	56,146	745	56,891	56,221	745	56,966
Jt Leg Audit & Review Committee	6,568	101	6,669	6,568	101	6,669
LEAP Committee	3,952	-30	3,922	3,952	-30	3,922
Office of the State Actuary	0	25	25	3,517	-1	3,516
Joint Legislative Systems Comm	18,313	-13	18,300	18,378	-78	18,300
Statute Law Committee	10,186	-80	10,106	11,358	-80	11,278
Total Legislative	165,845	1,445	167,290	170,750	1,354	172,104
Supreme Court	14,765	225	14,990	14,765	225	14,990
State Law Library	4,490	47	4,537	4,490	47	4,537
Court of Appeals	32,598	639	33,237	32,598	639	33,237
Commission on Judicial Conduct	2,265	-14	2,251	2,265	-14	2,251
Administrative Office of the Courts	113,803	3,410	117,213	153,240	4,896	158,136
Office of Public Defense	54,622	-489	54,133	54,622	-489	54,133
Office of Civil Legal Aid	22,477	0	22,477	22,477	0	22,477
Total Judicial	245,020	3,818	248,838	284,457	5,304	289,761
Total Legislative/Judicial	410,865	5,263	416,128	455,207	6,658	461,865

Washington State Omnibus Operating Budget

2008 Supplemental Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
Office of the Governor	13,372	177	13,549	18,122	2,142	20,264
Office of the Lieutenant Governor	1,635	-16	1,619	1,725	-16	1,709
Public Disclosure Commission	5,045	-51	4,994	5,045	-51	4,994
Office of the Secretary of State	54,715	964	55,679	131,203	-5,291	125,912
Governor's Office of Indian Affairs	665	146	811	665	146	811
Asian-Pacific-American Affrs	509	296	805	509	296	805
Office of the State Treasurer	0	0	0	15,687	-148	15,539
Office of the State Auditor	1,623	-23	1,600	82,967	-366	82,601
Comm Salaries for Elected Officials	388	-4	384	388	-4	384
Office of the Attorney General	15,248	88	15,336	250,078	4,368	254,446
Caseload Forecast Council	1,537	71	1,608	1,537	71	1,608
Dept of Financial Institutions	0	1,500	1,500	46,118	2,219	48,337
Dept Community, Trade, Econ Dev	147,308	3,008	150,316	514,775	-7,689	507,086
Economic & Revenue Forecast Council	1,239	314	1,553	1,239	314	1,553
Office of Financial Management	47,744	11,902	59,646	131,021	12,198	143,219
Office of Administrative Hearings	0	0	0	33,087	-334	32,753
Department of Personnel	0	96	96	69,561	-6,571	62,990
State Lottery Commission	0	0	0	795,750	-296	795,454
Washington State Gambling Comm	0	0	0	33,998	-343	33,655
WA State Comm on Hispanic Affairs	537	146	683	537	146	683
African-American Affairs Comm	523	-4	519	523	-4	519
Department of Retirement Systems	450	0	450	53,966	-577	53,389
State Investment Board	0	0	0	19,266	5,067	24,333
Public Printer	0	0	0	18,886	-267	18,619
Department of Revenue	201,321	5,150	206,471	218,534	5,530	224,064
Board of Tax Appeals	2,882	-26	2,856	2,882	-26	2,856
Municipal Research Council	400	25	425	5,705	25	5,730
Minority & Women's Business Enterp	0	0	0	3,650	-35	3,615
Dept of General Administration	1,157	24	1,181	164,756	1,279	166,035
Department of Information Services	10,590	-1,812	8,778	265,602	-606	264,996
Office of Insurance Commissioner	0	0	0	46,914	92	47,006
State Board of Accountancy	0	0	0	2,596	-21	2,575
Forensic Investigations Council	0	0	0	276	0	276
Washington Horse Racing Commission	0	0	0	9,099	-58	9,041
WA State Liquor Control Board	3,863	-41	3,822	231,565	4,570	236,135
Utilities and Transportation Comm	160	0	160	36,293	-313	35,980
Board for Volunteer Firefighters	0	0	0	1,051	-9	1,042
Military Department	23,251	1,624	24,875	243,923	66,770	310,693
Public Employment Relations Comm	6,599	-56	6,543	9,914	-84	9,830
LEOFF 2 Retirement Board	0	0	0	2,032	-12	2,020
Archaeology & Historic Preservation	2,120	749	2,869	3,785	1,239	5,024
Growth Management Hearings Board	3,832	-11	3,821	3,832	-11	3,821
State Convention and Trade Center	0	0	0	90,660	7,863	98,523
Total Governmental Operations	548,713	24,236	572,949	3,569,722	91,203	3,660,925

Washington State Omnibus Operating Budget

2008 Supplemental Budget

HUMAN SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
WA State Health Care Authority	575,246	64	575,310	784,533	-14,299	770,234
Human Rights Commission	6,794	282	7,076	8,139	460	8,599
Bd of Industrial Insurance Appeals	0	0	0	36,267	-314	35,953
Criminal Justice Training Comm	29,877	7,573	37,450	42,807	7,573	50,380
Department of Labor and Industries	49,583	365	49,948	615,875	684	616,559
Indeterminate Sentence Review Board	3,783	105	3,888	3,783	105	3,888
Home Care Quality Authority	3,461	-9	3,452	3,461	-9	3,452
Department of Health	252,093	12,276	264,369	1,006,397	27,047	1,033,444
Department of Veterans' Affairs	31,916	-2,861	29,055	110,190	692	110,882
Department of Corrections	1,779,149	-21,606	1,757,543	1,789,198	-20,532	1,768,666
Dept of Services for the Blind	5,202	-28	5,174	24,773	-154	24,619
Sentencing Guidelines Commission	1,896	274	2,170	1,896	274	2,170
Employment Security Department	120	222	342	616,875	1,276	618,151
Total Other Human Services	2,739,120	-3,343	2,735,777	5,044,194	2,803	5,046,997

Washington State Omnibus Operating Budget

2008 Supplemental Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
Children and Family Services	656,031	17,997	674,028	1,126,199	40,250	1,166,449
Juvenile Rehabilitation	224,203	-1,578	222,625	235,195	-915	234,280
Mental Health	918,670	7,185	925,855	1,524,885	21,896	1,546,781
Developmental Disabilities	891,214	10,201	901,415	1,737,585	14,581	1,752,166
Long-Term Care	1,446,903	12,807	1,459,710	3,005,916	7,868	3,013,784
Economic Services Administration	1,224,514	-14,487	1,210,027	2,305,698	-27,800	2,277,898
Alcohol & Substance Abuse	190,417	4,611	195,028	349,310	21,016	370,326
Medical Assistance Payments	3,990,690	92,638	4,083,328	8,312,963	133,647	8,446,610
Vocational Rehabilitation	27,438	-3,456	23,982	120,117	-1,185	118,932
Administration/Support Svcs	77,641	9,627	87,268	143,181	10,418	153,599
Special Commitment Center	105,322	1,650	106,972	105,322	1,650	106,972
Payments to Other Agencies	118,957	249	119,206	176,212	432	176,644
Total DSHS	9,872,000	137,444	10,009,444	19,142,583	221,858	19,364,441
Total Human Services	12,611,120	134,101	12,745,221	24,186,777	224,661	24,411,438

Washington State Omnibus Operating Budget

2008 Supplemental Budget

NATURAL RESOURCES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
Columbia River Gorge Commission	1,072	-11	1,061	2,137	-22	2,115
Department of Ecology	132,355	1,185	133,540	467,840	4,218	472,058
WA Pollution Liab Insurance Program	0	0	0	1,840	18	1,858
State Parks and Recreation Comm	98,578	-474	98,104	148,841	1,067	149,908
Rec and Conservation Funding Board	3,357	-8	3,349	28,153	-83	28,070
Environmental Hearings Office	2,295	-9	2,286	2,295	-9	2,286
State Conservation Commission	20,429	-3,816	16,613	21,607	-3,816	17,791
Dept of Fish and Wildlife	108,959	2,309	111,268	347,293	863	348,156
Puget Sound Partnership	7,917	841	8,758	12,072	4,051	16,123
Department of Natural Resources	102,023	2,347	104,370	387,625	2,590	390,215
Department of Agriculture	29,445	392	29,837	121,289	-650	120,639
Total Natural Resources	506,430	2,756	509,186	1,540,992	8,227	1,549,219

Washington State Omnibus Operating Budget

2008 Supplemental Budget

TRANSPORTATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	<u>Orig 07-09</u>	<u>2008 Supp</u>	<u>Rev 07-09</u>	<u>Orig 07-09</u>	<u>2008 Supp</u>	<u>Rev 07-09</u>
Washington State Patrol	86,449	-4,620	81,829	122,180	-514	121,666
Department of Licensing	<u>3,727</u>	<u>58</u>	<u>3,785</u>	<u>47,805</u>	<u>1,972</u>	<u>49,777</u>
Total Transportation	90,176	-4,562	85,614	169,985	1,458	171,443

Washington State Omnibus Operating Budget

2008 Supplemental Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
OSPI & Statewide Programs	75,204	1,712	76,916	157,479	1,228	158,707
General Apportionment	9,273,543	-7,829	9,265,714	9,273,543	-7,829	9,265,714
Pupil Transportation	552,428	22,491	574,919	552,428	22,491	574,919
School Food Services	6,318	0	6,318	431,728	0	431,728
Special Education	1,112,927	27,028	1,139,955	1,548,662	26,985	1,575,647
Educational Service Districts	16,047	2	16,049	16,047	2	16,049
Levy Equalization	414,704	8,951	423,655	414,704	8,951	423,655
Elementary/Secondary School Improv	0	0	0	43,450	0	43,450
Institutional Education	36,814	2,055	38,869	36,814	2,055	38,869
Ed of Highly Capable Students	17,175	-4	17,171	17,175	-4	17,171
Student Achievement Program	869,771	-1,432	868,339	869,771	-1,432	868,339
Education Reform	265,170	11,307	276,477	418,748	11,258	430,006
Transitional Bilingual Instruction	134,537	618	135,155	179,780	618	180,398
Learning Assistance Program (LAP)	189,901	9,087	198,988	550,561	9,087	559,648
Promoting Academic Success	48,997	-32,130	16,867	48,997	-32,130	16,867
Compensation Adjustments	510,536	55,972	566,508	510,779	56,004	566,783
Total Public Schools	13,524,072	97,828	13,621,900	15,070,666	97,284	15,167,950

Washington State Omnibus Operating Budget
2008 Supplemental Budget
EDUCATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 07-09	2008 Supp	Rev 07-09	Orig 07-09	2008 Supp	Rev 07-09
Higher Education Coordinating Board	472,602	1,565	474,167	503,638	13,563	517,201
University of Washington	806,919	-14,502	792,417	4,130,410	-53,033	4,077,377
Washington State University	508,614	-5,243	503,371	1,189,011	-8,259	1,180,752
Eastern Washington University	119,154	-1,853	117,301	240,859	-2,207	238,652
Central Washington University	117,414	-1,276	116,138	253,140	-1,595	251,545
The Evergreen State College	64,559	-786	63,773	117,667	-885	116,782
Spokane Intercol Rsch & Tech Inst	3,507	-44	3,463	4,916	-44	4,872
Western Washington University	148,478	-2,086	146,392	331,913	-3,101	328,812
Community/Technical College System	1,448,199	-11,475	1,436,724	2,510,648	-13,707	2,496,941
Total Higher Education	3,689,446	-35,700	3,653,746	9,282,202	-69,268	9,212,934
State School for the Blind	12,144	-70	12,074	13,744	-109	13,635
State School for the Deaf	17,746	27	17,773	17,978	111	18,089
Work Force Trng & Educ Coord Board	3,529	-36	3,493	58,038	-51	57,987
Department of Early Learning	134,487	4,179	138,666	329,903	4,011	333,914
Washington State Arts Commission	5,126	-37	5,089	6,692	-37	6,655
Washington State Historical Society	7,167	189	7,356	10,093	173	10,266
East Wash State Historical Society	3,964	23	3,987	7,051	23	7,074
Total Other Education	184,163	4,275	188,438	443,499	4,121	447,620
Total Education	17,397,681	66,403	17,464,084	24,796,367	32,137	24,828,504

Washington State Omnibus Operating Budget
2008 Supplemental Budget
SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	<u>Orig 07-09</u>	<u>2008 Supp</u>	<u>Rev 07-09</u>	<u>Orig 07-09</u>	<u>2008 Supp</u>	<u>Rev 07-09</u>
Bond Retirement and Interest	1,546,530	29,144	1,575,674	1,731,686	32,045	1,763,731
Special Approps to the Governor	135,662	34,213	169,875	193,818	39,160	232,978
Sundry Claims	0	88	88	0	88	88
State Employee Compensation Adjust	830	-830	0	1,530	-1,530	0
Contributions to Retirement Systems	116,400	0	116,400	116,400	0	116,400
Total Special Appropriations	1,799,422	62,615	1,862,037	2,043,434	69,763	2,113,197

Legislative

A total of \$1.3 million is provided to implement Chapter 311, Laws of 2008 (ESSB 6333), establishing the Washington citizen's work group on health care. The Legislature will contract for an independent economic analysis of several health care reform proposals, due in December 2008. The work group will review the analysis and meet with citizens statewide on the proposals. A final report is due in November 2009. Funds to support this legislation are split between the House of Representatives (\$388,000), the Senate (\$388,000), and the Office of Financial Management (\$500,000).

Judicial

Superior Court Judges

Funding in the amount of \$3.8 million is provided to the Administrative Office of the Courts in the maintenance level for an increase in Superior Court judge's salaries and benefits as adopted by the Washington Citizens' Commission on Salaries for Elected Officials and to fund five additional judges throughout the state.

Family & Juvenile Court Improvement

Also provided is \$800,000 to the Administrative Office of the Courts to begin implementation of Chapter 279, Laws of 2008 (2SHB 2822). The funding will provide for family court coordinators, additional judicial officer training, and planning and improvement grants to participating courts.

Governmental Operations

Housing

The sum of \$5.8 million is provided for Chapter 2, Laws of 2007, 1st sp.s. (SSB 6178), to implement a property tax deferral for homeowners in which the household income is less than \$57,000. The deferral is for 50 percent of the property taxes due on a residence. A homeowner electing to take the deferral must pay the first half of their taxes and may then defer the second half. Funds will be used to reimburse local taxing districts for amounts that are deferred.

Chapter 2, Laws of 2008 (SSB 6335), appropriates \$6.0 million from the state general fund to the Homeless Families Services Fund. The account provides state matching funds for housing-based services for homeless families.

An additional \$2.5 million in state general funds are added to the current appropriation of \$5.0 million in the 2007-09 biennial budget for the Transitional Housing, Operating, and Rent program in the Department of Community, Trade, and Economic Development. The program assists homeless families with case management services and helps them transition to permanent housing.

The sum of \$1.5 million is provided pursuant to Chapter 3, Laws of 2008 (SB 6272), to implement financial literacy programs for home buyers, including counseling, marketing, and outreach programs to educate consumers on residential mortgage transactions, nontraditional or subprime mortgages, and predatory lending practices. An additional \$250,000 is provided to implement Chapter 322, Laws of 2008 (SSB 6711), to assist low- and moderate-income households facing foreclosure.

Additional funding for housing projects is provided in Chapter 328, Laws of 2008, Partial Veto (ESHB 2765 – Capital Budget). See the Capital Budget section for further details.

Flooding

The sum of \$1.3 million is provided to the Military Department to work with the Department of Natural Resources, the Department of Ecology, and others to remove accumulated woody debris in and around waterways that was caused by the December 2007 storms and flooding.

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The amount of \$2 million is provided from the Economic Development Strategic Reserve Account to assist small businesses in the Chehalis-Centralia area that were affected by the December 2007 storms and flooding.

A combined total of \$41.5 million is provided to the Military Department from state and federal funds for recovery and rebuilding in response to the December 2007 storms and flooding.

Federal funding of \$21.8 million is provided for emergency management planning, interoperable communication, and pre-disaster mitigation planning.

Additional funding for flood warning and mitigation projects in the Chehalis River Basin is provided in the Capital Budget. See the Capital Budget section for further details.

Secretary of State

Funding in the amount of \$341,000 is provided to the Washington Talking Book and Braille Library. This library serves 13,000 patrons annually and has been offering services to Washington residents with vision limitations and reading disabilities since 1931. The State Library will discontinue its contract with the Seattle Public Library and will assume full responsibility for its operation on July 1, 2008.

In December 2007, Congress authorized \$2.3 million in new federal Help America Vote Act funding for Washington State. The Secretary of State's Office is provided the 5 percent state matching funds requirement to leverage this additional federal funding.

Attorney General

Funding in the amount of \$110,000 is provided for legal services related to Chapter 130, Laws of 2008 (2SHB 3274). The legislation clarifies the applicability of public works competitive contracting provisions to public port districts and provides accountability requirements for public port district contracting.

Department of Community, Trade, and Economic Development

Community Assistance and Support

- Additional ongoing state funding in the amount of \$750,000 is provided to the Department of Community, Trade, and Economic Development (DCTED) for an increase in victim advocates in county superior courts. Additionally, one-time funding of \$75,000 is provided to update the statewide sexual assault victim assistance protocols through a coordinated effort led by the Washington Coalition of Sexual Assault Programs.
- The sum of \$600,000 is provided for the Office of Crime Victims Advocacy in DCTED to distribute grants to community sexual assault programs to enhance services provided to child victims of sexual assault and their families.
- The Pacific Science Center is provided \$400,000 to host "Lucy's Legacy: The Hidden Treasures of Ethiopia" an exhibit of the Lucy of Laetoli hominid fossils and other Ethiopian artifacts.
- The sum of \$344,000 is provided for the newly-created Washington New Americans Program to provide naturalization assistance for legal permanent residents who are eligible to become citizens.
- An appropriation of \$250,000 is provided for a grant to KCTS Public Television to expand Spanish-language programming offered through "V-me", a channel on public television.

Economic Development

- State funding in the amount of \$306,000 is provided to implement Chapter 315, Laws of 2008 (SSB 6510). This legislation creates the Washington Manufacturing Innovation and Modernization Extension Services Program to be administered by DCTED. The program allows a small manufacturer or industry association to receive a voucher for up to \$200,000 in services by a qualified manufacturing extension partnership affiliate.

- The sum of \$225,000 in state funding is provided for the development of the Lewis County watershed planning and economic development demonstration project to identify lands and resources suitable for economic development within Lewis County and outside of the floodplains of Chehalis and Cowlitz River watersheds.
- Funding in the amount of \$150,000 is provided for Chapter 307, Laws of 2008, Partial Veto (E2SSB 6111). This legislation directs DCTED and the Energy Facility Site Evaluation Council to convene and co-chair a work group on hydrokinetic energy. Hydrokinetic energy is electricity generated from ocean wave, tides, or currents and free-flowing rivers. The work group is responsible for developing recommendations on the creation of the Washington State Center for Excellence in Hydrokinetic Energy that is intended to support a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.
- A total of \$50,000 is provided to Port Townsend and Keystone/Coupeville to promote tourism in response to disruptions in Washington State Ferry service.

Office of Financial Management

The sum of \$175,000 is provided for a business outreach position in the Governor's Executive Policy Office. The primary responsibility of the position will be to act as a liaison between the Office of the Governor and businesses in the state as well as new businesses seeking to locate in Washington.

Department of Information Services

The Department of Information Services (DIS) has received two one-time federal grants for activities related to law enforcement totaling \$1.22 million. The U.S. Department of Justice's National Criminal History Improvement program provided funding to develop and improve criminal history records throughout the state. The Department also received a grant of \$50,000 from the National Governors Association for activities initiated and supported by the U.S. Department of Justice.

The Department is provided \$195,000 to implement Chapter 262, Laws of 2008 (E2SSB 6438); DIS is directed to develop a strategy in cooperation with state agencies and other groups involved in telecommunications to ensure statewide access to affordable and reliable high-speed Internet services pursuant to legislation passed during the 2008 session.

Department of Archaeology and Historic Preservation

A total of \$1.1 million is provided to implement Chapter 275, Laws of 2008 (E2SHB 2624). The legislation establishes statutory guidelines, procedures, and assistance for the inadvertent discovery of skeletal human remains and requires the Department to develop and maintain a centralized database of all known cemeteries and sites of burials of human remains in Washington. A State Physical Anthropologist position is also created to assist local governments in making determinations on the status of skeletal human remains.

State Convention and Trade Center

A total of \$57 million is transferred from the State Convention and Trade Center accounts to the state general fund. After the transfers, sufficient funds remain in the accounts for debt service, operating costs, a retrofit of the Museum of History and Industry, and a sufficient capital reserve. Please see the "Cash Transfers to/from the General Fund" page for additional detail.

Human Services

The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the agency level and includes the Department of Corrections, Employment Security Department, Department of Veteran's Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Health Care Authority, Department of Health, and other human services related agencies.

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Department of Social & Health Services

Children and Family Services

The sum of \$1.1 million in one-time funding is provided to expedite the hiring of social workers and support staff needed to complete the phase-in of the state's policy of a private and individual face-to-face visit each month with children in out-of-home care and in-home dependencies and their caregivers.

State and federal funding in the amount of \$2.4 million is provided for the Children's Administration to contract with nonprofit organizations to facilitate twice-monthly visits between siblings placed in out-of-home care who live apart from each other.

The sum of \$2.3 million in state and federal funds is provided to pay for an increase in contracted supervised visits. The increase in court-ordered supervised visits between parents and dependent children has increased the Department's use of contracted service hours.

The Children's Administration performs education and health screens for all children who are in out-of-home care for 30 days or longer. The sum of \$1.0 million in state and federal funds is provided for 12 additional staff to perform the screens.

The amount of \$657,000 is provided to the Division of Licensed Resources to hire 7.5 additional licensors to address their backlog in processing licenses and to allow for smaller licensing caseloads.

A total of \$800,000 is provided to contract with medical professionals for comprehensive safety assessments of high-risk families. Of this amount, \$400,000 is for assessments of families receiving in-home child protective services or family voluntary services. The remaining \$400,000 is for assessments of families with an infant who is age birth to 15 days that was diagnosed at birth as substance exposed, and for which the Department received an intake referral related to the infant's exposure to substances. All of the safety assessments will use validated tools to guide intervention decisions through the identification of additional safety and risk factors.

The sum of \$997,000 is provided for Chapter 281, Laws of 2008 (E2SHB 3145). Of this amount, \$797,000 is provided to implement a pilot program for intensive resource foster homes in two geographical areas with high concentrations of high-needs children in foster care. The intensive resource foster home providers will receive a monthly stipend, training, and professional consultation. The remaining \$200,000 is provided for the Department to contract for constellation hub models of foster care support in areas of the state not currently served by this model.

State funding in the amount of \$12.2 million is provided in maintenance level to address changes in federal funding of child welfare services. State funding of \$20.0 million was provided to replace federal funding that was disallowed due to a change in federal Medicaid rules that prevent the state from charging certain administrative activities to Targeted Case Management and alter the state's match requirements for other programs. The loss of Medicaid funds is partially offset by a \$7.8 million reduction in state funding in foster care and adoption support and a corresponding increase in Title IV-E federal funding due to greater federal revenue earnings in recent years.

State and federal funding is reduced by \$2.3 million in fiscal year 2008 due to one-time under-expenditures resulting from delays in staff hires within the Children's Administration.

Juvenile Rehabilitation Administration

A total of \$2.8 million in state funding is provided to backfill Title XIX Medicaid funds for Targeted Case Management. The DSHS-Juvenile Rehabilitation Administration had received these funds to support its Family Functional Parole (FFP) program. FFP is a case management model that motivates youth and families to fully participate in services and provides ongoing assessment and support as needed.

Mental Health

State and federal funding for the public mental health system is increased by a total of \$21.8 million. Major changes in support of community mental health services include:

- Additional state funds of \$6.3 million are provided to maintain and improve community mental health services for children and adults who are not eligible for Medicaid due to income, family circumstances, or the stage or nature of their illness. Services include crisis response, counseling, case management, acute care, residential services, job finding services, and emergency rent assistance.
- Additional state funds of \$2.3 million are provided to enable the Spokane Regional Support Network (RSN) to complete implementation of its comprehensive plan for reducing use of Eastern State Hospital. A portion of the plan is being funded with the RSN's locally-authorized mental health sales tax. Key elements of the plan include: additional crisis triage and crisis stabilization beds; an intensive outpatient treatment team for persons with co-occurring disorders and other special needs; housing assistance for high-utilizers of hospital and jail services who are at risk of homelessness; and family respite care services to assist with the discharge and return home of elderly individuals.
- The sum of \$4.7 million is provided for the transition to fee-for-service in Pierce County necessitated by the county's decision to discontinue operation as an RSN. Funds are provided on a one-time basis to assist non-governmental mental health agencies in Pierce County with start-up and other extraordinary administrative costs. Funds are also provided to cover the state-only component of crisis triage, evaluation and treatment, and mobile crisis outreach services.
- State funding of \$2 million is provided to cover the cost of 180-day Involuntary Treatment Act commitment hearings in Pierce and Spokane Counties. Due to the presence of the state psychiatric hospitals, the two counties are responsible for conducting an extraordinarily large number of such hearings.
- The amount of \$2.9 million is provided to increase the RSN capitation rates to the bottom of the actuarially sound rate ranges.

Major changes in support of the state psychiatric hospitals include:

- In order to improve patient and staff safety, \$2.3 million is provided to pilot a direct care staffing plan for six high-incident wards at Eastern and Western State Hospitals. The pilot includes funding for 31 direct care positions, including registered nurses, licensed practical nurses, and mental health technicians. The Department is to monitor outcomes for improved patient and staff safety and provide a written report to the Legislature by October 1, 2009.
- One-time funding of \$951,000 is provided to cover laundry services that are temporarily being performed at Rainier School as a result of a fire in the laundry at Western State Hospital. Funding covers additional labor costs and laundry transportation.

Developmental Disabilities

A total of \$1.9 million is provided for a new waiver program for children with developmental disabilities who are at risk of being institutionalized as a result of intense behaviors. The families of eligible children will receive coordinated in-home support services, such as intensive behavior management training for the family, other caregivers, or school staff, minor home or vehicle adaptations, respite, and therapies. The funding reflects a phase-in of services for a total of 100 families ongoing.

A one-time payment of \$1.0 million in state funding is provided to settle a class action lawsuit filed by the Washington Federation of State Employees, on behalf of Division of Developmental Disabilities case managers, to achieve wage parity with social workers in the Children's Administration during the period of December 2002 through June 2007. Parity for current and future wages was addressed in the 2007-09 enacted budget.

State funding in the amount of \$605,000 and federal funding in the amount of \$292,000 are provided to accelerate the rate of employment services provided to high school graduates. Funding will cover the cost of services to 31 additional graduates receiving Home- and Community-Based Waiver services and to about 50 additional graduates receiving state-only services.

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Recently, there has been an increase in the number of admissions for people under the age of 21 to the Residential Habilitation Centers (RHCs). As of February 2008, there were 17 children at Fircrest RHC and 9 children at Frances Haddon Morgan Center. The amount of \$7.3 million is provided to address the increased admissions, including:

- A total of \$5.9 million in state funds and matching federal funds is provided for additional staff and other institutional expenses at re-opened cottages at Fircrest RHC.
- State funds of \$1.4 million are provided for contracts with Bremerton and Shoreline School Districts for education-related costs at Fircrest and Frances Haddon Morgan Center RHCs. (This funding is in addition to institutional education allocations within the K-12 budget and is used to pay for one-on-one aides, transportation, and space improvements.)

There is a one-time reduction of state and federal funding of \$2 million for new programs authorized in the 2007-09 budget that have been slower to ramp up than previously anticipated in fiscal year 2008; no individuals will receive a cut in services. This item assumes a slower start to new Home- and Community-Based Services waiver placements for individuals with aging parents or caregivers, a slower placement rate for community protection services, and a slower phase-in for family support programs.

Aging and Disabilities Services (Long-Term Care and Developmental Disabilities)

The sum of \$46.9 million is provided for two interacting items related to Medicaid Personal Care service hours:

1. The 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* found that the "Shared Living Rule" was in violation of the federal comparability requirement. As a result, all Medicaid Personal Care clients must have their hours assessed on an individual basis, regardless of whether their provider lives with them in a "shared living" situation or lives elsewhere. This decision requires additional funding for service hours for laundry, meal preparation, shopping, and other services that had previously been denied.
2. The comparability requirement in the court's decision along with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement (CBA) between SEIU 775NW and the state results in additional service hours being authorized and funding being required for items such as wood fuel, off-site laundry, etc. that were not covered by funding previously provided for the CBA in the 2007-09 budget.

Funding of \$5.4 million is provided for phase one implementation of a 17 level Comprehensive Assessment Reporting Evaluation residential payment system that more closely ties reimbursement to client acuity. New payment levels include reimbursement for challenging behaviors, cognitive decline, and clinical complexity. For adult family homes, funding is sufficient to offset liability insurance costs and to provide an average rate increase of 5 percent for Long-Term Care clients and 9 percent for Developmental Disabilities clients (includes the 2 percent increase provided in the 2007-09 biennial budget). Payment rates for boarding homes contracted as assisted living facilities are held harmless at fiscal year 2008 funded levels; however, this provider type will not receive a 2 percent vendor rate increase in fiscal year 2009 that was previously budgeted in the 2007-09 biennial budget.

Long-Term Care

State and federal funding for long-term care is increased by a total of \$7.9 million net with lower than expected caseload costs. Major changes include the items below and the items listed under "Aging and Disabilities Services."

For nursing facility Medicaid payment rates, \$6.1 million in new funding is provided in addition to \$18 million that was previously set aside by the 2007-09 operating budget, making the total for fiscal year 2009 \$24 million. The funding is designated as follows:

- 6.1 million is provided as an add-on payment rate of approximately \$1.57 per patient day to nursing homes with Medicaid clients to increase compensation for low-wage workers beginning July 1, 2008. Funds may also be used to increase staffing levels of nurse aides and to avoid wage compression by job classes immediately affected by low-wage worker pay increases.

- The \$18 million for fiscal year 2009 that was set aside by the 2007-09 operating budget is directed to be spent as follows:
 - \$6.9 million is provided to cover costs that are higher than anticipated due to increased client acuity and successful appeals on rates paid.
 - \$1.4 million is provided pursuant to Chapter 263, Laws of 2008 (ESB 6629), which makes clarifications to the nursing home statute and increases direct care rates to certain nursing homes whose rates were reduced due to ambiguity in the statute.
 - \$9.7 million is provided for 1.99 percent vendor rate increases to direct care, therapy care, support services, and operations.

The sum of \$772,000 is provided from the State Traumatic Brain Injury Account to cover public awareness campaigns to promote awareness of traumatic brain injuries (TBIs), support groups for individuals with TBIs and their families, and costs for DSHS to support the Traumatic Brain Injury Council.

Long-Term Care Task Force Initiatives (Long-Term Care, Medical Assistance, and Department of Health)

Funding of \$3.9 million is provided for programs to benefit the elderly and others with long-term care needs, pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668). The funding is designated as follows:

- \$1.5 million is provided to help 585 unpaid caregivers continue to care for elderly and disabled relatives in their own homes. Services include respite and training (Long-Term Care budget).
- \$1.8 million is provided for behavior supports and technical assistance for caregivers of individuals with challenging behaviors who utilize the Community Options Program Entry System program (Long-Term Care budget).
- \$164,000 is provided for Adult Protective Services fatality review teams (Long-Term Care budget).
- \$400,000 is provided for four counties to participate in the Senior Falls Prevention program that includes a combination of exercise programs, risk identification and reduction, and consumer education (Department of Health budget).
- \$50,000 is provided for the implementation of a dental access project for senior citizens. Beginning in the 2009-11 biennium, and to the extent funds are appropriated for this purpose, the project will include enhanced reimbursement rates for certified dentists and medical providers who provide preventive oral health and specific dental procedures to senior citizens (Medical Assistance budget).

Economic Services Administration

The budget provides authority to raise the Temporary Assistance to Needy Families cash grant by 3 percent in fiscal year 2009 to account for increased housing costs, resulting in an expenditure of \$7.8 million in WorkFirst revenues. The increase in the cash grant can be accomplished within the WorkFirst's current appropriation level, without reduction to services or caseload in fiscal year 2009. The cash grant has not been increased since 1993.

State funding of \$2.7 million is provided for the Division of Child Support (DCS) as a result of federal changes to the distribution of child support collections. Beginning in October 1, 2008, any Internal Revenue Service tax refunds intercepted by DCS will be distributed first to cover any debts owed to families. Currently, tax refund intercepts are first applied to offset costs to the state for welfare and Medicaid costs, if applicable, and then distributed to families.

A total of \$2.0 million in state and federal funding is provided to increase the gross income limits for eligibility for the Basic Food Program (food stamps) to 200 percent of the federal poverty limit, as allowed by the U.S. Department of Agriculture. Starting October 1, 2008, it is estimated an additional 23,300 families will receive benefits due to the change. The benefits for Basic Food are funded solely by federal dollars and the state and federal government share the administrative costs. Funding is also provided for the estimated increase of 233 families that will receive benefits through the state's Basic Food for Legal Immigrants Program, which is solely state funded and has the same eligibility requirements as the basic food program.

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The sum of \$656,000 in state funding is provided for increased costs and requirements associated with immigration and naturalization programs. The programs' services include assistance with completing the citizen application, English language and civics classes, assistance with federal Immigration and Naturalization Service fee waiver requests, and help applying for test exemptions for disabled clients.

State funding in the amount of \$462,000 is provided to hire five additional Supplemental Security Income disability facilitators to assist disabled General Assistance clients who meet federal disability standards with application and enrollment into the federal disability program. Assistance from facilitators results in reduced length of stay for clients on General Assistance.

Alcohol and Substance Abuse

A total of \$5.3 million is provided to fund Chapter 320, Laws of 2008, Partial Veto (ESSB 6665), which continues two pilot programs authorized during the 2005 session: the integrated crisis response/secure detoxification (ICR) program and the intensive case management program. The funding will extend the programs through fiscal year 2009 and allow time for additional evaluation. Approximately \$550,000 of this funding was intended to expand the ICR pilot program to Spokane; however, the Governor vetoed the portion of the legislation that allowed this expansion.

Medical Assistance Administration

Funding is provided for a 2 percent increase above the 2007-09 biennial budget level for changes in enrollment and per person medical costs, primarily due to increases in hospital inpatient and outpatient service utilization, Medicare Part A premium payments, and managed care caseloads. These increases (roughly \$97 million in state funds) are offset somewhat by a slowdown in the growth rate of the General Assistance – Unemployable caseload and by lower drug expenditures (approximately \$35 million in state funds). A decrease in the federal Medicaid participation rate of less than 0.5 percent results in approximately a \$20 million shift from federal to state expenditures for fiscal year 2009.

In accordance with Chapter 245, Laws of 2008 (SB 6421), \$1.9 million in State Tobacco Prevention and Control Account funds and \$1.7 million in federal funds are provided for smoking cessation counseling, nicotine replacement therapy, and related prescription drugs for adults enrolled in Medicaid programs.

The budget reflects a savings of \$6.3 million in state funds due to a slowing in the growth rates in premiums for the Healthy Options managed care program.

Administration and Supporting Services

State general funding, in the amount of \$450,000 is provided as part of DSHS's original settlement agreement for the Braam lawsuit regarding foster children. One requirement of that agreement was an oversight panel to monitor the Department's compliance with the terms of the settlement agreement. Previously this panel was funded by grants from the Casey Foundation. However, as of January 1, 2008, that funding has ended, and DSHS will pay for the panel's operating expenses.

The sum of \$1.6 million is provided toward the development of a flexible payment system for independent home care providers and others who collectively bargain for wages and benefits. Specifically, funding is provided for a project management team and one information technology FTE to develop a project plan, timeline, and budget plan. The Legislature finds the amounts provided are sufficient for a timely and expeditious transition to a more flexible provider payroll system that will work in conjunction with the ProviderOne payment system.

Other Human Services

Criminal Street Gangs

A total of \$1 million is provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). The funding is distributed as follows: \$750,000 for the Washington Association of Sheriffs and Police Chiefs (WASPC) to distribute grants for gang enforcement emphasis and graffiti/tagging abatement programs; \$150,000 for the Department of Corrections to investigate best practices to reduce gang involvement among incarcerated offender populations; and \$100,000 for the Department of Community, Trade, and Economic Development for a victim-witness grant protection program.

Criminal Justice Training Commission

The sum of \$5.0 million is provided to the WASPC to contract with local law enforcement for in-person verification of the addresses and residency of registered sex offenders. The funding will help law enforcement verify offender addresses every 12, 6, or 3 months, depending on the risk category of the registrant. During these visits, law enforcement agencies will also confirm that every registered sex offender has a DNA sample on file.

A total of \$853,000 is provided to the Criminal Justice Training Commission to meet the increased demand for basic peace officer training. Five additional academies are needed to train an additional 182 law enforcement officers.

Department of Corrections

A total of \$9.8 million is provided for 130 residential chemical dependency treatment beds for offenders who have violated certain conditions while under community supervision. These treatment beds provide an alternative to incarceration by providing intensive inpatient chemical dependency treatment to violators who are addicted.

The sum of \$961,000 is provided to the Department of Corrections for 10 additional community corrections officers to work in partnership with local law enforcement officers in Seattle, Tacoma, Yakima, the Tri-Cities, Spokane, and Clark County in supervising and monitoring sex offenders.

Funding in the amount of \$923,000 is provided to the Department of Corrections for additional sex offender electronic monitoring. Certain Level III offenders who are released from total confinement, and whose release plan indicates they may be susceptible to certain risk factors, will be monitored for up to six months. Funding is provided for 75 offenders to participate in electronic monitoring by the end of fiscal year 2008 and 200 offenders by the end of fiscal year 2009.

Department of Employment Security

Chapter 357, Laws of 2007 (E2SSB 5659), enacted the Family Leave Insurance program to provide a weekly benefit of up to \$250 for a maximum of five weeks for the birth or adoption of a child. The sum of \$6.2 million from the Family Leave Insurance Account is provided for the development and implementation of a system to process and accept claims for benefits. Benefits begin October 1, 2009, and the program is anticipated to become fully operational in the 2013-15 biennium.

The budget addresses reductions in federal funding for unemployment insurance (UI) with three items. First, an additional \$13.8 million of Reed Act funding is provided to cover a reduction in federal funding for UI administration and other agency activities. Of this amount, \$2.3 million of Reed Act funds are provided to replace and upgrade hardware and software for the two telecenters, which grant access to the initial intake and processing of the state's unemployment claims. Finally, the budget reduces the spending authority of the Department by \$12.0 million in Unemployment Compensation federal funds to align appropriations with anticipated federal revenues. This step also reduces the Department's FTE authority by 240 to reflect the number of staff currently employed.

Department of Veterans' Affairs

The sum of \$250,000 in state funding is provided for an expansion of the Veterans Conservation Corps program begun in 2007, allowing an additional 25 veterans to perform conservation work and pursue higher education in

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related fields. The amount of \$291,000 in state funding is provided for the Department of Veterans' Affairs to work on-site at Fort Lewis and Madigan Hospital to link an estimated 3,400 injured returning soldiers with benefits and services. The Incarcerated Veterans program is provided \$383,000 in county funding, and federal funds are provided to assist homeless veterans in finding a stable residence and maintaining employment.

Department of Labor and Industries

Funding in the amount of \$1.7 million – \$224,000 General Fund-State; \$741,000 Accident Account-State; and \$741,000 Medical Aid Account-State – is provided to implement Chapter 120, Laws of 2008, Partial Veto (2SSB 6732), which incorporates the recommendations of the Joint Legislative Task Force on the Underground Economy in the Construction Industry. Additional FTEs will be hired for auditing and investigative purposes, information technology improvements, and to execute a social marketing campaign aimed at educating consumers about the risks of hiring unregistered contractors.

State general funds in the amount of \$200,000 and state electrical license funds in the amount of \$544,000 are provided for the Department to hire additional staff to keep pace with workload increases. Four electrical inspectors will be added to meet rising inspection and plan review demands in central Washington, and two elevator inspectors will be added to conduct both initial and annual operational safety inspections.

The sum of \$480,000 from the Accident Account-State and the Medical Aid Account-State is provided to implement Chapter 286, Laws of 2008 (SHB 2602), which allows employees to take leave from work and provides them job protection if they are victims of domestic violence, assault, or stalking. The Department will hire additional staff for enforcement of this legislation.

Health Care Authority

The budget provides funding to continue implementation of the Health Insurance Partnership, a program that assists employees of certain small businesses to purchase affordable health insurance. Funding is consistent with modifications to the program pursuant to Chapter 143, Laws of 2008 (2SHB 2537). State funding in the amount of \$2.2 million is provided for a third party administrator and for premium subsidies for low-income employees for coverage beginning March 1, 2009. Participation is targeted to the employees of small employers who employ mostly low-wage workers and who currently do not provide health insurance.

One-time state funding of \$2.0 million is provided for grants to community health centers to improve access to dental services for low-income adults. Clinics receiving grants will report annually, beginning December 2008, on key adult dental access indicators such as the number of low-income adults served.

The budget reflects a savings of \$4.9 million due to lower-than-expected enrollment in fiscal year 2008 and to a decelerating growth rate in Basic Health Plan premium costs in calendar year 2009.

Department of Health

The budget provides \$5.0 million in state funds for family planning clinics to backfill lost federal funds as a result of changes to the federal Medicaid Take Charge Family Planning Waiver that became effective in November 2006. Over 20,000 people lost eligibility for certain family planning and sexually transmitted disease related services as a result of the renewed federal waiver's more restrictive eligibility requirements.

A total of \$1.1 million in state health services account funds and federal funds are provided for the Department to begin implementation of a prescription drug monitoring program to connect all pharmacies in Washington with a database of schedule II-V controlled substances. Program goals include reducing the likelihood of adverse drug effects for seniors and the disabled and a reduction in narcotics abuse.

State funding of \$956,000 is provided for colorectal screening and diagnostic follow-up services, including case management and referrals for medical treatment. These funds will backfill lost federal funds for existing pilot programs in three counties and also expand the pilot to six additional counties statewide. Funding will be directed to

low-income, uninsured, and underinsured individuals between 50 and 64 years of age or those under age 50 at high risk of developing this cancer.

The budget provides state funds of \$894,000 in light of federal cuts to core public health functions, such as coordinated care for children with maxillofacial birth defects, monitoring of children and adults with phenylketonuria, maternity support services, and services to rural and underserved populations.

Additionally, \$585,000 in state funds is provided to address the shortfall between the current reimbursement rate and the Medicare rate for digital mammographies for providers participating in the Washington Breast and Cervical Health program.

State funding of \$4.4 million is provided to implement Chapter 134, Laws of 2008, Partial Veto (4SHB 1103), which increases regulatory authority over the health professions. Five-year pilot projects are established in July 2008 to evaluate the effect of granting various quality assurance commissions authority over budget development, spending, and staffing (pilots are mandatory for physician and nursing care professions and voluntary for chiropractic and dental professions). Evaluations of these pilot projects are due to the Governor and the Legislature by December 2013.

The Department has experienced a 30 percent increase in health professions investigations. One-time funding of \$2.0 million from the state health professions account is provided to allow the Department to focus resources on cases that have the biggest impact to patient safety while continuing to resolve the oldest cases.

The sum of \$558,000 in state health professions funds is provided for the implementation of Chapter 135, Laws of 2008 (2SHB 2674), which requires all registered counselors to obtain a new health profession credential by July 1, 2010. Eight new credentials are created, and the existing registered counselor credential is abolished July 2010. The Department must establish continuing education requirements for all renewals and is required to educate the public on the new responsibilities of therapeutic counselors.

Other Human Services Related Agencies

Funding in the amount of \$295,000 is provided to create a sex offender policy board to be staffed and maintained by the Sentencing Guidelines Commission, pursuant to Chapter 249, Laws of 2008 (SSB 6596).

Natural Resources

Climate Change

A total of \$2.4 million General Fund-State will continue progress toward meeting the state's goals for greenhouse-gas-emissions reductions and prepare for climate change.

- Of this, \$1.3 million is provided in the budget to implement Chapter 14, Laws of 2008 (E2SHB 2815 – Greenhouse Gas Emissions). The funding will put into place a reporting system at the Department of Ecology (DOE) to track, manage, and credit entities that report their greenhouse gas emissions and the reductions they make; develop a regional market-based system, such as a “cap and trade” program; and continue the work of the Climate Action Team, such as collaboration with other western states, Canadian provinces, and Mexican states to reduce greenhouse gases in our region. Funding of \$207,000 is provided for the Department of Community, Trade, and Economic Development (DCTED) to participate in the multi-state process to develop market-based systems to eliminate greenhouse gas emissions. The Employment Security Department is appropriated \$222,000 to conduct labor-market analysis of green-economy jobs, market demand, required skill levels, and wages. The sum of \$151,000 is provided to the University of Washington (UW) and Washington State University for technical expertise in climate change and energy technology.
- Additionally, \$317,000 is provided to DCTED to develop advisory climate-change response methodologies, computer programs, and estimates to counties and cities that reflect regional and local variations. At least

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three counties and six cities will be selected for a global-warming adaptation pilot program through a competitive process. The program will assist counties and cities that are addressing climate change through their land use and planning resources and those that aspire to do so but lack the necessary resources.

- The sum of \$173,000 in funding will allow DOE and the UW to gather information to help governments and citizens prepare for climate change. A comprehensive research, preparation, and adaptation plan will be written, and the Office of the State Climatologist is set in law.

Increased Use of Local Foods

The programs funded for Chapter 215, Laws of 2008 (2SSB 6483 – Local Food Production), will expand children's and low-income residents' access to Washington-grown fruits and vegetables and support Washington State farms.

Funds are provided for the following:

- \$290,000 for the Department of Agriculture to create a "Farm-to-School" program encouraging consumption of fresh, locally-grown food at public schools and other institutions.
- \$600,000 to the Office of the Superintendent of Public Instruction for a Washington-Grown Fruit and Vegetable Grant program to facilitate consumption of Washington-grown nutritious snacks to improve student health and expand the market for locally-grown fresh produce. The program is to include fresh produce as well as minimally prepared, frozen, and dried fruits and vegetables.
- \$50,000 for the Department of Social and Health Services (DSHS) to establish a Farmers' Market Technology Improvement Pilot program to assist farmers' markets and farmers in developing the capability to accept electronic-payment cards. The program will help increase access to fresh fruits and vegetables for state residents and increase the number of food-stamp recipients using food-stamp benefits through electronic-benefits transfer at farmers' markets.
- \$350,000 for DCTED for a Farmers-to-Food Banks pilot program. Selected food bank systems will contract with local farmers to provide fruit, vegetables, dairy, and meat products for distribution to low-income people at local food banks.
- \$150,000 to expand grants for Farmers' Market Nutrition programs. \$100,000 is provided to the Department of Health to increase Women, Infants, and Children grants to provide more mothers and children with fresh fruits and vegetables. An additional \$50,000 will expand DSHS's Senior Farmers Market Nutrition Program, which issues checks to low-income seniors for buying Washington-grown fresh fruits and vegetables at many farmers' markets and some roadside farm stands.

Evergreen Communities

Funding is provided for the Evergreen Communities program and allocated to the Department of Natural Resources and DCTED. For details, refer to the DCTED portion of the Governmental Operations section of this document.

Puget Sound Partnership

State general funding in the amount of \$2.0 million is provided for the Puget Sound Partnership to conduct extensive public outreach and stakeholder involvement as it finishes writing its Action Agenda for restoring the health of Puget Sound by 2020. This will include scientific review of the Action Agenda and starting projects. Funding in the amount of \$1.2 million is provided for the top-priority monitoring projects, such as analyzing the pollution that falls to the Sound from fuel-related air emissions and beginning a statistically-valid, random water-sampling program to establish a baseline of pollution from various toxins.

Department of Ecology

A total of \$8.1 million in state general funds is provided for the partnership agreements with the Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians that will authorize the release of up to 132,500 acre-feet of water from the Lake Roosevelt reservoir annually. One-third of the water will be dedicated to in-stream flows for fish habitat. The remaining two-thirds will be divided among irrigators of 10,000 acres of land in the Odessa sub-area, holders of "interruptible" water rights, and municipal and industrial water-right applicants located within a mile or so of the Columbia River. A total of \$6.0 million will be distributed to the Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians; \$2.0 million will be distributed to affected counties

adjacent to Lake Roosevelt to mitigate impacts caused by the releases of water from Lake Roosevelt; and \$150,000 will provide an independent analysis of legislative options, including potential mitigation actions.

A total of \$3.7 million from various state accounts is provided for DOE to keep the Neah Bay Rescue Tug in operation at the current level for another year and reduce the risk of a catastrophic oil spill.

Department of Fish and Wildlife

A total of \$430,000 in state general funds is provided to improve coordination, increase the integration of science, and provide grants to advance projects of groups that work to protect, conserve, and otherwise manage marine life and resources.

- \$250,000 is provided for grants and technical support from the Department of Fish and Wildlife (DFW) to Marine Resource Committees – citizen-based groups that include local residents, governments, tribal governments, and other participants working together to restore marine habitat.
- \$114,000 is provided for DFW to coordinate groups that manage marine resources.

Transportation

The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for these agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act only includes a portion of the total funding for the Department of Licensing and the Washington State Patrol.

Public Schools

Summary Statistics on Total and Percentage Changes in the K-12 Budget				
	2007 Legislative Session (2007-09 Original Budget)	2008 Legislative Session (2007-09 Including 2008 Supplemental Budget)	Difference	Percent Change
NGFS*	\$13,524,072,000	\$13,621,900,000	\$97,828,000	0.7%
NGFS Per Pupil Funding**	\$6,925	\$6,975	\$50	0.7%

* NGF-S: Near General Fund State (Dollars in thousands)
 ** Does not include local or federal funding sources or other non-NGF-S accounts

Maintenance Level Changes

A total of \$83.2 million in maintenance level changes are funded in the 2008 supplemental budget. Major items include:

Initiative 732 Cost-of-Living Adjustment (COLA) Increase

The Seattle Consumer Price Index (CPI) used to calculate the 2008-09 school year salary increase required by Initiative 732 is higher than originally expected. I-732 increases are based on CPI data from the last complete calendar year. The 2007 calendar year CPI was estimated at 2.8 percent in the base budget, and the final figure is 3.9 percent. The sum of \$39.1 million General Fund-State is provided to cover the increased costs associated with making this adjustment.

Washington Assessment of Student Learning (WASL) Contract Renewal

Funding of \$25.4 million is provided for projected cost increases associated with administering the current WASL testing system.

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Safety Net Adjustment

The amount of \$23.2 million is provided for projected increased costs associated with safety net awards for high cost special education students.

Policy Level Changes

Excluding program transfers, a net total of approximately \$26 million in policy level changes are funded in the 2008 supplemental budget. Major items include:

Student Learning Opportunities

The sum of \$16.0 million General Fund-State is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673 – Student Learning Opportunities), which provides additional support and assistance for students not on track to meet the state or local high school graduation requirements. The act requires about an 18 percent increase in Learning Assistance Program (LAP) funding to support these activities. A separate LAP enhancement is also provided to high poverty school districts with high concentrations of English Language Learners. To qualify, districts must have a transitional bilingual population greater or equal to 20 percent of total district enrollment and a free/reduced price lunch-eligible population greater or equal to 40 percent of total district enrollment.

0.5 Percent COLA for K-12 Staff

In addition to the I-732 COLA provided in the maintenance-level budget, an additional 0.5 percent salary increase is provided for the 2008-09 school year. The cost of this increase is \$17.8 million General Fund-State. Consistent with I-732 allocation methods, this funding will be allocated on the basis of state-funded staff units, by district.

Special Education Medicaid Enhancement

Beginning with the 2007-08 school year, federal regulations have changed the method by which school districts are reimbursed for school-based Medicaid eligible services. The Department of Social Health Services will now reimburse school districts directly, and state funding is provided to match federal funds. The net effect will be an anticipated \$21.2 million increase in the amount school districts will receive through the state and federal Medicaid program.

Non-Employee Related Cost (NERC) Enhancement

The sum of \$6.5 million General Fund-State is provided to increase the NERC allocation rate. This funding pays for items such as textbooks, computers, educational supplies, and other school costs not related to employee compensation. The average increase per student is about \$6.50 per state fiscal year.

School Librarian Allocation

The sum of \$4.0 million General Fund-State is provided for an allocation of approximately \$4 per student per year to maintain and improve library materials, collections, and services in public schools.

Classified Staffing Ratio Enhancement

In the 2007-09 base budget, the allocation for classified staff in the general apportionment formula was enhanced to one classified staff person for every 59 students. Beginning in the 2008-09 school year, the classified staff ratio is further enhanced to 1 per 58.75 students. The cost of this enhancement is \$3.1 million General Fund-State.

Career and Technical Education

The amount of \$2.8 million General Fund-State is provided for the implementation of Chapter 170, Laws of 2008, Partial Veto (2SSB 6377 – Career and Technical Education). The legislation includes grants and allocations to school districts and skills centers for career and technical education programs and other related activities.

National Board Bonus Pension Benefits

The sum of \$2.1 million General Fund-State is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 – National Board Salary Bonus), which allows individuals qualifying for the National Board for Professional Teaching Standards certification to earn pension benefits on the bonus amounts for receiving certification. The increased costs associated with this legislation are expected to be: 1) the increase in the employer share of the pension contribution for national board certified teachers; and 2) the increased cost to the pension system to pay the additional retirement benefits associated with the national board bonus amounts.

Levy Equalization

The per pupil inflator is the mechanism by which the state estimates future increases in the levy base, which ultimately determines how much money each school district can raise locally through excess school levies. For the 2008-2009 school year, the per pupil inflator is set at 6 percent, increased from 5.1 percent in the 2007-09 base budget. The primary impact of this change is an increase in local school district levy authority; however, there is also a cost to the state in the form of increased levy equalization payments. The sum of \$1.9 million General Fund-State is provided for the increased costs resulting from this change.

Student Achievement Gap

The amount of \$750,000 General Fund-State is provided to conduct detailed analyses of the achievement gap for African-American, Hispanic, Asian-American, Pacific Islander American, and Native American students. These studies will also recommend a comprehensive plan for closing the achievement gap pursuant to goals under the No Child Left Behind Act and to identify performance measures to monitor adequate yearly progress. The funds are provided to the Office of the Superintendent of Public Instruction (OSPI) to complete the study for African-American students; the Washington State Commission on Hispanic Affairs to complete the study for Hispanic students; the Commission on Asian-Pacific-American Affairs to complete separate studies for Asian-American students and Pacific Islander American students; and the Governor's Office of Indian Affairs to complete the study for Native American students.

Miscellaneous Increases

The sum of \$5.1 million General Fund-State is provided for a variety of other increases, including: (1) additional funding to continue improvements to the OSPI apportionment system; (2) a school district grant program to implement Chapter 215, Laws of 2008 (2SSB 6483 – Local Farms and Healthy Kids); (3) grants at five skills centers to implement Integrated Basic Education and Skills Training programs; (4) lowering the poverty threshold for National Board teachers to qualify for the challenging school bonus; and (5) an evaluation of math and science teacher supply and demand issues, among other smaller items.

WASL-Related Items

Savings From WASL Changes

A \$15.9 million savings in General Fund-State is achieved by redesigning the WASL in reading, mathematics, and science in the elementary and middle school grades. The redesign will reduce the number of open-ended response items and potentially decrease the number of total test items. Additionally, budget proviso language in the base budget has been modified to clarify the purposes of funding provided for diagnostic testing. The funding is intended to support progress monitoring tools and other diagnostic tests that align with WASL content and provide more timely and targeted feedback about individual student progress.

End-of-Course Exams in Math

A total of \$3.2 million General Fund-State is provided for the implementation of Chapter 163, Laws of 2008 (ESHB 3166 – Assessment of Student Learning). Four end-of-course assessments will be phased in to replace the WASL math test. The math end-of-course assessments will replace the math WASL as a graduation requirement beginning with the class of 2014, although the class of 2013 may pass either test to meet the graduation requirement.

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Translated and Accommodated WASL

The sum of \$1.7 million General Fund-State is provided to translate the WASL for math and science in six languages other than English. In addition, funding is provided for enhanced accommodations for students in special education, such as improved Braille forms of the tests and read aloud CDs for dyslexic students.

WASL Legislative Work Group

The sum of \$150,000 General Fund-State is provided for the establishment of a legislative work group on the WASL to review and evaluate the state's assessment system. Additionally, funding is provided for contracting with independent technical experts to advise the WASL work group on best practices in other states and potential options for improving the assessment system. It is anticipated that the work group will complete its review by January 1, 2009.

WASL Transfer Amount to Office of Financial Management

The amount of \$11.4 million General Fund-State is transferred out of the OSPI agency budget and into the Office of Financial Management (OFM) budget. This amount reflects the fiscal year 2009 cost increases for the WASL when combining all maintenance-level and policy-level adjustments. OFM will distribute the money to OSPI via an interagency agreement on a quarterly schedule, based on compliance with the series of requirements outlined in Section 127, subsection 14 of the budget.

Policy Level Reductions

Promoting Academic Success Program Discontinuation

A recent evaluation of the Promoting Academic Success program indicates that overall the program has had little or no effect on student performance. At the end of the 2007-08 school year, the Promoting Academic Success program is discontinued, resulting in a savings of \$19.3 million General Fund-State.

High School Completion Program Termination

In the 2007-09 base budget, funding was provided for Chapter 355, Laws of 2007, Partial Veto (HB 1051) which established a pilot program at two community and technical colleges (CTCs) to allow certain students that had not passed the WASL to continue their studies at the CTC beginning in fiscal year 2009. Funding is terminated for the pilot program, resulting in a \$1.0 million state general fund savings.

Indigenous Learning Pilot Elimination

Additionally, in the original 2007-09 budget, funding was provided for OSPI to contract with a company to develop and implement a pilot program for providing indigenous learning curriculum. Since OSPI was unsuccessful in selecting an appropriate contractor for the pilot, funding is eliminated for the program, resulting in a \$1.0 million state general fund savings.

College Readiness Tests Elimination

In the original 2007-09 budget, funding was provided for a college readiness test to be administered during the 11th grade beginning in fiscal year 2009. Funding is eliminated for the test, resulting in a savings of \$675,000 General Fund-State.

Achievement Gap Pilot Discontinuation

In fiscal year 2007, a pilot program was established for a partnership program aimed at closing the achievement gap. Beginning in fiscal year 2009, the program is discontinued, resulting in a savings of \$500,000 General Fund-State.

Higher Education

The 2008 Supplemental Budget provides additional higher education funding in the areas of career training and apprenticeships; faculty and staff compensation; increased access; financial aid; and research support.

Career Training

A total of \$4.5 million is provided to support apprenticeship and training programs in the aerospace and health care career fields.

- \$3.0 million is provided to the State Board for Community and Technical Colleges (SBCTC) to support apprenticeships in the aerospace sector. Of the \$3.0 million, \$2.15 million is to support program development, curriculum development, equipment purchases, training, and related expenses of the apprenticeship program. The remaining \$85,000 is to support 130 enrollment slots at no more than three community and technical colleges, with at least one college being located east of the Cascade Mountains.
- \$1.5 million is provided for SBCTC to disburse competitive grants to labor, management, and college partnerships. These grants will be used to develop or expand and to evaluate innovative training programs for current hospital workers that lead to careers in nursing and other high-demand health care fields.

Compensation

SBCTC received an additional \$5.5 million General Fund-State for two cost-of-living adjustments (COLA) for faculty and staff covered by the provisions of Initiative 732. First, \$3.8 million General Fund-State is provided because, using updated consumer price index data, the required fiscal year 2009 COLA is 3.9 percent, rather than the 2.8 percent originally budgeted. Second, \$1.7 million General Fund-State is provided for an additional 0.5 percent COLA increase for all I-732-eligible employees in the Community and Technical College System.

Additionally, \$0.5 million is provided to convert some part-time community and technical college faculty positions from part-time to full-time status. Particular emphasis is to be placed upon increasing the number of full-time faculty in mathematics, science, adult basic education, early childhood education, and English.

Increasing Access

- \$500,000 is provided for Washington State University Extension Services to promote the diffusion of information and communications technology in low-income and under-served communities throughout the state.
- \$100,000 is provided for the Higher Education Coordinating Board (HECB) to convene interested parties from Snohomish, Island, and Skagit Counties to consider the November 2007 site options and recommendations for a new campus of the University of Washington (UW) in Snohomish County. The plan is to be developed in consultation with a committee of local business, community, and educational leaders. A preferred site recommendation is due to the Legislature by December 1, 2008.
- \$212,000 is provided to the HECB to work with community, business, and educational leaders in Clallam, Kitsap, Jefferson, and Mason Counties to develop plans for establishing a university center in the Kitsap County area.

Financial Aid

- \$1.3 million is provided to increase the number of students and practitioners who receive scholarships and loans through the Health Professional Scholarship and Conditional Loan program. Priority is to be given to primary care providers employed or seeking employment in organizations that serve a disproportionate number of uninsured patients.

Research Support

- \$1.0 million is provided to support the UW's e-Science initiative, which will provide infrastructure and consulting expertise to university researchers in advanced computational techniques needed to capture, store, organize, access, mine, and interpret massive data sets.

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Other Education

Child Care Licensing Improvements

State general funds in the amount of \$435,000 are provided for the Department of Early Learning to add five quality improvement specialists to establish a consistent approach to licensing actions.

Special Appropriations

Employee Health Benefit Funding Rate Reduction

The state employer contribution rate paid to the Public Employee Benefits Board (PEBB) is reduced from \$732 per employee per month to \$561 per employee per month. Expenditures for employee health benefits during the 2007-09 biennium are anticipated to be lower than budgeted due to the removal of funding for a new information technology system for employee benefits and unexpectedly low health care costs in calendar year 2008, resulting in a savings of \$115.7 million Near General Fund-State and \$96.0 million other fund savings. Funds will be expended from PEBB reserves, including those reserves that accumulated due to lower-than-budgeted expenditures during the 2005-07 and 2007-09 biennia, in order to support the cost of benefits during fiscal year 2009. PEBB will maintain the current 88 percent employer share of the weighted average medical insurance premium and will also continue to pay the cost of dental, life, and long-term disability insurance.

Federal Audit Determination

The U.S. Department of Health and Human Services has determined that a portion of funds transferred from the Public Employees' and Retirees' Insurance Account to the general fund in the 2006 supplemental operating budget contained federal funds that were not authorized to be included in the transfer. The budget includes an \$11.0 million one-time repayment of funds that comprise the amount of the transfer that is attributable to federal participation in the funding of benefits by employer agencies from the date of the transfer.

Extraordinary Criminal Justice Costs

Funding is provided to Klickitat County (\$48,000) and Yakima County (\$141,000) to assist with extraordinary criminal justice costs.

2007-09 Washington State Transportation Budget

TOTAL OPERATING AND CAPITAL BUDGET

Total Budgeted Funds

(Dollars in Thousands)

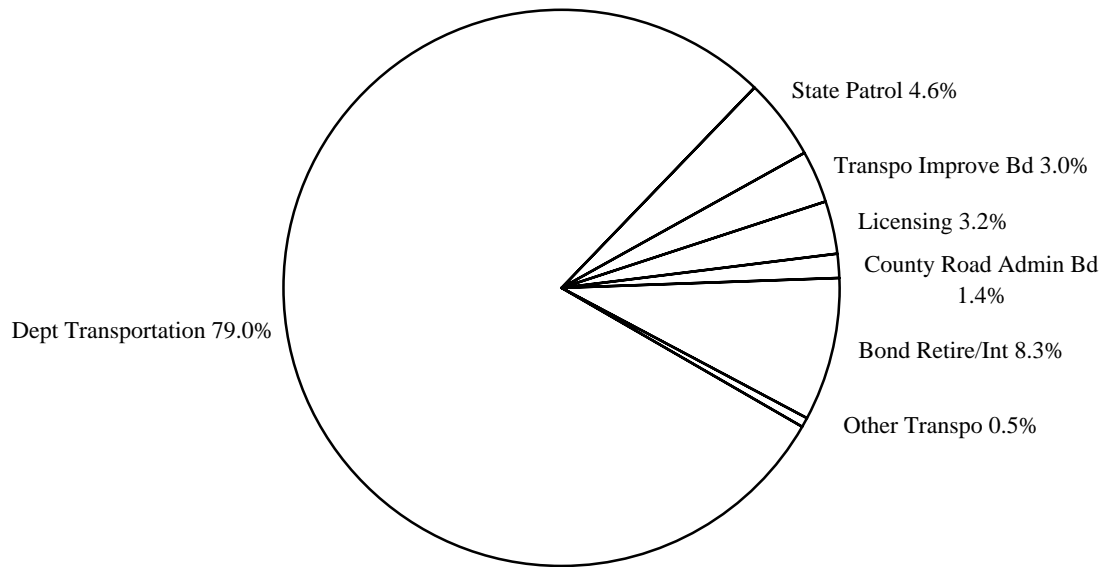
	Original 2007-09 Appropriations	2008 Supplemental Budget	Revised 2007-09 Appropriations
Department of Transportation	6,020,262	-84,584	5,935,678
Pgm B - Toll Op & Maint-Op	36,414	-5,239	31,175
Pgm C - Information Technology	86,820	2,721	89,541
Pgm D - Hwy Mgmt & Facilities-Op	34,569	-587	33,982
Pgm D - Plant Construction & Supv	6,202	53	6,255
Pgm E - Transpo Equipment Fund	111,945	4,152	116,097
Pgm F - Aviation	9,670	977	10,647
Pgm H - Pgm Delivery Mgmt & Suppt	56,040	1,829	57,869
Pgm I - Hwy Const/Improvements	3,075,006	-60,897	3,014,109
Pgm K - Public/Private Part-Op	1,451	-160	1,291
Pgm M - Highway Maintenance	329,685	12,454	342,139
Pgm P - Hwy Const/Preservation	748,124	25,194	773,318
Pgm Q - Traffic Operations	54,217	-700	53,517
Pgm Q - Traffic Operations - Cap	25,237	250	25,487
Pgm S - Transportation Management	30,964	-852	30,112
Pgm T - Transpo Plan, Data & Resch	53,799	-2,210	51,589
Pgm U - Charges from Other Agys	67,001	-240	66,761
Pgm V - Public Transportation	128,075	767	128,842
Pgm W - WA State Ferries-Cap	285,909	-32,742	253,167
Pgm X - WA State Ferries-Op	414,019	14,656	428,675
Pgm Y - Rail - Op	37,034	-24	37,010
Pgm Y - Rail - Cap	222,981	-9,304	213,677
Pgm Z - Local Programs-Operating	11,197	351	11,548
Pgm Z - Local Programs-Capital	193,903	-35,033	158,870
Washington State Patrol	346,406	2,600	349,006
Department of Licensing	232,370	4,812	237,182
Joint Transportation Committee	2,653	410	3,063
LEAP Committee	1,595	-400	1,195
Special Approps to the Governor	0	1,852	1,852
Office of Financial Management	3,154	623	3,777
Board of Pilotage Commissioners	1,156	-4	1,152
Utilities and Transportation Comm	505	-1	504
WA Traffic Safety Commission	21,789	37	21,826
Archaeology & Historic Preservation	223	117	340
County Road Administration Board	103,610	-253	103,357
Transportation Improvement Board	228,331	-5,130	223,201
Marine Employees' Commission	422	12	434
Transportation Commission	2,388	46	2,434
Freight Mobility Strategic Invest	695	-4	691
State Parks and Recreation Comm	985	-2	983
Department of Agriculture	1,358	-3	1,355
Total Appropriation	6,967,902	-79,872	6,888,030
Bond Retirement and Interest	676,166	-48,889	627,277
Total	7,644,068	-128,761	7,515,307

Note: Reports and graphs in prior years Legislative Budget Notes documents displayed Total Appropriated funds, which excluded non-appropriated amounts. The Revised 2007-09 Appropriations amounts shown here include budgeted but non-appropriated amounts of \$116,097K for Department of Transportation Pgm E, \$175K for Department of Transportation Pgm S, and \$550K for the Washington State Patrol.

**2007-09 Transportation Budget – Including 2008 Supplemental
Chapter 121, Laws of 2008, Partial Veto (ESHB 2878)
Total Budgeted Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY AGENCY
Total Operating and Capital Budget**



Major Transportation Agencies	2007-09 Original	2008 Supp	2007-09 Revised
Department of Transportation	6,020,262	-84,584	5,935,678
Washington State Patrol	346,406	2,600	349,006
Transportation Improvement Board	228,331	-5,130	223,201
Department of Licensing	232,370	4,812	237,182
County Road Administration Board	103,610	-253	103,357
Bond Retirement and Interest	676,166	-48,889	627,277
Other Transportation	36,923	2,683	39,606
Total	7,644,068	-128,761	7,515,307

Note: Reports and graphs in prior years Legislative Budget Notes documents displayed Total Appropriated funds, which excluded non-appropriated amounts. The 2007-09 Revised amounts shown here include budgeted but non-appropriated amounts of \$116,282K in the Department of Transportation and \$550K in the Washington State Patrol.

Accountability and Project Delivery

The 2008 supplemental transportation budget preserves the priorities established by the 2003 and 2005 transportation packages and extends the accountability mechanisms established in those packages to the Washington State Ferry system.

Project delivery is on track. The 2003 Nickel plan is halfway through completion, resulting in improved highway safety and traffic flow. To date, 89 Nickel projects and 36 projects from the 2005 Transportation Partnership Act (TPA) have been completed, for a total of \$1.3 billion. Currently there are 57 Nickel and TPA projects under construction or advertised for construction.

By March 31, 2008, more than half of the projects funded by the Nickel and TPA accounts will either be under construction or completed. The Washington State Department of Transportation (WSDOT) expects to advertise an additional 43 projects, totaling \$400 million, over the next six months.

Examples of completed projects from around the state include the following:

- SR 270/Pullman to Idaho State Line – Add Lanes (Whitman) \$31.2 million
- I-405/SR 520 to SR 522 – Widening (King) \$81.8 million
- SR 543/I-5 to Canadian Border – Add Lanes (Whatcom) \$50.8 million
- I-5/Salmon Creek to I-205 – Widening (Clark) \$43.9 million
- SR 16/I-5 to Tacoma Narrows Bridge – Add HOV Lanes (Pierce) \$118.2 million
- SR 31/Metaline Falls to Canadian Border – All Weather Road (Pend Oreille) \$17.4 million

By 2006, the Legislature recognized that the performance demanded of the highway system should also be expected of the Washington State Ferry system. The Joint Transportation Committee's (JTC's) Ferry Finance Study is continuing through 2008 and has established a process to ensure that the Washington State Ferry system identifies the most efficient balance between operating and capital needs. This budget and Chapter 124, Laws of 2008 (SSB 6932), implement some of the initial recommendations of the latest JTC study, which have already yielded results – the Legislature directed that the Washington State Ferry system develop and maintain a vessel rebuild and replacement plan, as well as a vessel maintenance and preservation program.

2008 Budget Conditions

Since enactment of the 2007-09 biennial budget, economic conditions have changed. State and federal fuel tax revenues have fallen by nearly 4 percent since 2007, and project costs have increased approximately \$300 million since spring of 2007. The February Revenue Forecast projects long-term fuel price increases and a reduction in revenue that supports the transportation system. The overall impact of these changes reduces transportation related revenues by nearly \$1.5 billion over the 16-year forecast horizon.

In response to current economic conditions, the Federal Reserve Board lowered interest rates, which lowers estimated borrowing costs. This allows for the issuance of nearly \$90 million in additional bonds over the life of the 16-year transportation financial plan.

2008 Supplemental Transportation Budget

Examples of project cost increases over the 2007-08 interim include the following:

2007 Project List Compared to 2008 Project List: Increases Over \$5 Million Dollars in Millions

Legislative District	Project Title	2007 Adopted 16 yr Total	2008 Adopted 16 yr Total	\$ Increase from 2007
25, 26, 27, 28, 29	Remaining Tacoma HOV Lanes Corridor: Tacoma Narrows Bridge to Port of Tacoma	1,404.9	1,537.1	132.2
01, 41, 45, 48	I-405/SR 520 to SR 527 - Widening Stage 2	75.4	104.4	29.0
13	I-90/Snoqualmie Pass East - Hyak to Keechelus Dam	525.0	545.0	20.0
01	SR 522/UW Bothell – Build Interchange	31.4	47.1	15.8
11, 37	I-405/SR 181 to SR 167 - Widening	130.9	142.8	11.9
38	SR 529/Ebey Slough Bridge - Replace Bridge	33.9	44.0	10.1
04	I-90/Spokane Port of Entry - Weigh Station Relocation	6.4	16.3	9.8
11, 37	I-405/SR 515 - New Interchange	113.4	121.8	8.5
10, 40	SR 20/Fredonia to I-5 - Add Lanes Stages 1, 2, & 3	109.9	118.2	8.3
39	SR 522/Snohomish River Bridge to US 2 - Add Lanes	169.1	176.5	7.4
20	I-5/Grand Mound to Maytown Stage One - Add Lanes	88.0	95.1	7.1
10, 40	SR 20/Quiet Cove Rd Vicinity to SR 20 Spur - Widening	25.7	32.3	6.6
41	SR 900/SE 78th St Vic to I-90 Vic - Widening	40.8	45.9	5.1
42	SR 539/Tenmile Road to SR 546 - Widening	101.6	106.7	5.1
		2,856.4	3,133.2	276.9

Selected Highlights of the 2008 Supplemental Transportation Budget

Department of Transportation

- Continuation of the \$915 million “early action” items on the Alaska Way Viaduct, including identification of mitigation projects
 - Provides transit enhancement during construction
 - Includes Spokane Street viaduct contribution
- SR 519 connection from Port of Seattle to I-90 is fully funded for design/build
- \$550,000 for independent review of I-90 light rail impacts
- \$18.5 million for increased fuel costs for ferries, WSDOT, and the Washington State Patrol (WSP)
- \$3 million of state funds for matching federal flood assistance
- \$150,000 for a telework pilot in the Commute Trip Reduction Program
- \$3.2 million reduction in the Tacoma Narrows Bridge management
- \$3.25 million increase in snow and ice removal
- \$14 million in funding for project safety improvements on US 2
- \$26.9 million for concrete median barriers on I-5 near Marysville
- \$19.7 million to correct fish passage barriers not connected to other projects
- \$3.2 million for stormwater permit requirements
- \$110,000 is provided for corrective action on SR 522 near Lake Forest Park
- Department must measure and report maintenance backlog
- Department must develop procedures and rules for asphalt recycling

Washington State Ferry System

- \$85 million for 3 vessels to replace the Steel Electric ferries
- \$15 million for refurbishment of the ferry Hyak
- \$283 million for 3 new ferries that carry 144 vehicles each
- \$6.3 million to improve ferry engine emission and fuel efficiency
- \$250,000 to continue the JTC ferry system cost study and \$205,000 for the Transportation Commission to develop options to address the revenue shortfall in the ferry system
- WSDOT is directed to review ferry accident and incident investigations
- A hiring cap in the capital program is imposed for the remainder of the biennium
- \$3.4 million in toll credits for passenger ferries operated by local government
- Savings in the ferry system of \$4.9 million from reductions in staff and consultants
- The moratorium on ferry fare increases remains in effect

Other Transportation Agencies

- 6 additional State Troopers assigned to the US 2 corridor
- \$1.3 million for WSP land purchase at the Shelton academy
- \$100,000 study of State Patrol retirement system
- \$76,000 to the Office of the Superintendent of Public Instruction for a road safety education pilot
- \$3.55 million additional funds for implementation of Enhanced Driver's License
- \$417,000 for Chapter 282, Laws of 2008, Partial Veto (E2SHB 3254 – Ignition Interlock Devices)
- \$100,000 for an additional transportation archaeologist

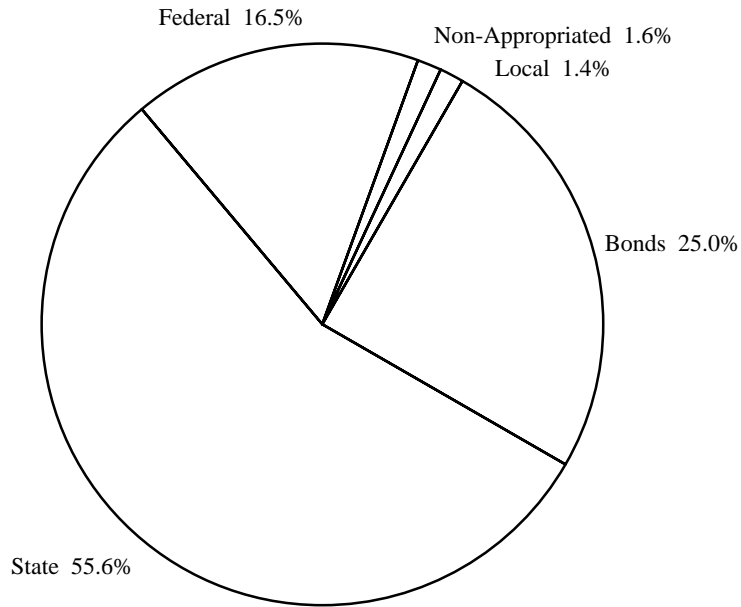
2008 Total Supplemental Budget Changes

The 2008 supplemental transportation budget includes \$7.5 billion in total budgeted funds, a decrease of \$133 million from the 2007-09 total. Previous versions of the Legislative Budget Notes have displayed total appropriated amounts. By displaying total budgeted amounts, non-appropriated funds are included in the total. For the 2008 supplemental transportation budget, this includes \$116.8 million. Of the \$116.8 million, \$116.3 million is from the non-appropriated Transportation Equipment Account in the Department of Transportation and \$550,000 is from the State Patrol Non-Appropriated Airplane Revolving Account in the Washington State Patrol.

**2007-09 Transportation Budget – Including 2008 Supplemental
Chapter 121, Laws of 2008, Partial Veto (ESHB 2878)
Total Budgeted Funds**

(Dollars in Thousands)

**COMPONENTS BY FUND TYPE
Total Operating and Capital Budget**

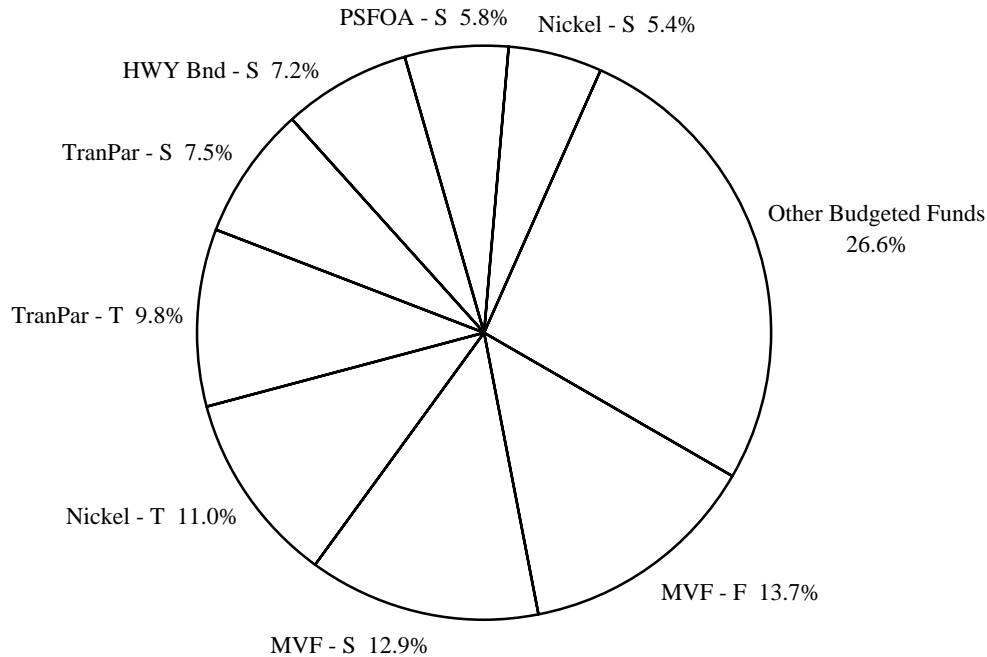


Fund Type	2007-09 Original	2008 Supp	2007-09 Revised
State	4,160,686	19,900	4,180,586
Federal	1,069,228	169,723	1,238,951
Non-Appropriated	112,670	4,152	116,822
Local	82,515	19,160	101,675
Bonds	2,218,969	-341,696	1,877,273
Total	7,644,068	-128,761	7,515,307

**2007-09 Transportation Budget – Including 2008 Supplemental
Chapter 121, Laws of 2008, Partial Veto (ESHB 2878)
Total Budgeted Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY FUND SOURCE AND TYPE
Total Operating and Capital Budget**



Major Fund Source	2007-09 Original	2008 Supp	2007-09 Revised
Motor Vehicle Account - Federal (MVF - F)	933,275	99,577	1,032,852
Motor Vehicle Account - State (MVF - S)	943,174	24,645	967,819
Transportation 2003 Acct "Nickel" - Bonds (Nickel - T)	874,610	-49,610	825,000
Transportation Partnership Account - Bonds (TranPar - T)	900,000	-160,000	740,000
Transportation Partnership Account - State (TranPar - S)	565,512	77	565,589
Highway Bond Retirement Account - State (HWY Bnd - S)	570,030	-25,969	544,061
Puget Sound Ferry Operations Acct - State (PSFOA - S)	423,224	14,829	438,053
Transportation 2003 Acct "Nickel" - State (Nickel - S)	325,658	80,346	406,004
Other Budgeted Funds	2,108,585	-112,656	1,995,929
Total	7,644,068	-128,761	7,515,307

Note: Reports and graphs in prior years Legislative Budget Notes documents displayed Total Appropriated funds, which excluded non-appropriated amounts. The 2007-09 Revised amounts shown here include budgeted but non-appropriated amounts of \$116,822K in Other Budgeted Funds.

**2007-09 Washington State Transportation Budget
Including 2008 Supplemental Budget**

Fund Summary

TOTAL OPERATING AND CAPITAL BUDGET

(Dollars in Thousands)

	MVF State *	P.S. Ferry Op Acct State	Nickel Acct State *	WSP Hwy Acct State	Transpo Partner State *	Multimod Acct State *	Other Budgeted	Total Budgeted
Department of Transportation	870,780	437,225	1,228,614	0	563,479	331,057	2,504,523	5,935,678
Pgm B - Toll Op & Maint-Op	600	0	0	0	0	0	30,575	31,175
Pgm C - Information Technology	67,710	9,143	5,337	0	5,892	363	1,096	89,541
Pgm D - Hwy Mgmt & Facilities-Op	33,982	0	0	0	0	0	0	33,982
Pgm D - Plant Construction & Supv	6,255	0	0	0	0	0	0	6,255
Pgm E - Transpo Equipment Fund	0	0	0	0	0	0	116,097	116,097
Pgm F - Aviation	0	0	0	0	0	631	10,016	10,647
Pgm H - Pgm Delivery Mgmt & Suppt	52,275	0	2,422	0	2,422	250	500	57,869
Pgm I - Hwy Const/Improvements	87,210	0	1,147,529	0	369,593	0	1,409,777	3,014,109
Pgm K - Public/Private Part-Op	991	0	0	0	0	300	0	1,291
Pgm M - Highway Maintenance	331,342	0	0	0	0	0	10,797	342,139
Pgm P - Hwy Const/Preservation	86,540	0	11,136	0	181,666	0	493,976	773,318
Pgm Q - Traffic Operations	51,340	0	0	0	0	0	2,177	53,517
Pgm Q - Traffic Operations - Cap	9,462	0	0	0	0	0	16,025	25,487
Pgm S - Transportation Management	27,363	1,321	0	0	0	1,223	205	30,112
Pgm T - Transpo Plan, Data & Resch	27,757	0	0	0	0	1,760	22,072	51,589
Pgm U - Charges from Other Agys	66,102	0	0	0	0	259	400	66,761
Pgm V - Public Transportation	0	0	0	0	0	85,601	43,241	128,842
Pgm W - WA State Ferries-Cap	0	0	59,469	0	0	4,100	189,598	253,167
Pgm X - WA State Ferries-Op	0	426,761	0	0	0	1,914	0	428,675
Pgm Y - Rail - Op	0	0	0	0	0	37,010	0	37,010
Pgm Y - Rail - Cap	0	0	0	0	0	165,512	48,165	213,677
Pgm Z - Local Programs-Operating	8,981	0	0	0	0	0	2,567	11,548
Pgm Z - Local Programs-Capital	12,870	0	2,721	0	3,906	32,134	107,239	158,870
Washington State Patrol	0	0	0	335,436	0	0	13,570	349,006
Department of Licensing	78,235	0	0	1,145	0	0	157,802	237,182
Joint Transportation Committee	2,513	0	0	0	0	550	0	3,063
LEAP Committee	1,195	0	0	0	0	0	0	1,195
Special Approps to the Governor	882	294	120	338	44	12	162	1,852
Office of Financial Management	3,577	100	0	100	0	0	0	3,777
Board of Pilotage Commissioners	0	0	0	0	0	0	1,152	1,152
Utilities and Transportation Comm	0	0	0	0	0	0	504	504
WA Traffic Safety Commission	0	0	0	0	0	0	21,826	21,826
Archaeology & Historic Preservation	340	0	0	0	0	0	0	340
County Road Administration Board	4,428	0	0	0	0	0	98,929	103,357
Transportation Improvement Board	0	0	0	0	0	0	223,201	223,201
Marine Employees' Commission	0	434	0	0	0	0	0	434
Transportation Commission	2,322	0	0	0	0	112	0	2,434
Freight Mobility Strategic Invest	691	0	0	0	0	0	0	691
State Parks and Recreation Comm	983	0	0	0	0	0	0	983
Department of Agriculture	1,355	0	0	0	0	0	0	1,355
Total Appropriation	967,301	438,053	1,228,734	337,019	563,523	331,731	3,021,669	6,888,030
Bond Retirement and Interest	518	0	2,270	0	2,066	765	621,658	627,277
Total	967,819	438,053	1,231,004	337,019	565,589	332,496	3,643,327	7,515,307

* Includes Bond amounts.

Note: Reports and graphs in prior years Legislative Budget Notes documents displayed Total Appropriated funds, which excluded non-appropriated amounts. The Other Budgeted amounts shown here include budgeted but non-appropriated amounts of \$116,097K for Department of Transportation Pgm E, \$175K for Department of Transportation Pgm S, and \$550K for the Washington State Patrol.

The 2008 Supplemental Capital Budget, Chapter 328, Laws of 2008, Partial Veto (ESHB 2765), appropriates \$32 million in new state general obligation bonds and \$116 million in total funds, including all appropriation increases and decreases. Chapter 180, Laws of 2008 (HB 3375), includes an additional \$50 million state bond appropriation for flood hazard mitigation projects in the Chehalis River basin.

State General Obligation Bonds

New state bond appropriations in the 2008 Supplemental Capital Budget total \$151.6 million. This level of bond appropriations is supported by a combination of bond appropriation reductions (\$119 million), reserved bond capacity from the 2007 bond bill (\$16 million), and the use of new K-12 construction assistance/skills center bonds (\$16 million).

Chapter 179, Laws of 2008 (SHB 3374), authorizes the State Finance Committee to issue \$100 million in state general obligation bonds to finance school construction assistance grants and capital improvements related to skill centers and \$50 million in state general obligation bonds for federally-matched flood hazard mitigation projects and other projects throughout the Chehalis River basin.

Low-Income Housing Assistance

An additional \$70 million is provided for low-income housing, increasing the total appropriation for the biennium to \$200 million. Funding is provided to assist communities to develop new housing and to preserve existing housing for low-income households, homeless families with children, farm workers, and developmentally disabled individuals.

Additionally, the supplemental budget includes:

- up to \$10 million for low-income housing within areas declared disasters by the Governor after November 2007;
- \$2 million for on-farm housing for migrant and seasonal farmworkers;
- \$10 million for the Department of Community, Trade, and Economic Development (DCTED) to contract with the Washington State Housing Finance Commission (HFC) to provide grants or loans for property purchases in rapidly changing neighborhoods; and
- up to \$10 million for DCTED to contract with HFC to facilitate nonprofit use of tax-exempt bonds issued by HFC.

Flood Assistance and Prevention

Funding is provided to mitigate the damage caused by the December 2007 flood and for measures to prevent flooding or damage from future floods. In December 2007, a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in the counties of Grays Harbor, Kitsap, Lewis, Mason, Pacific, and Thurston. Federal funding assistance was made available following this declaration. Chapter 180, Laws of 2008 (HB 3375), authorizes \$50 million in new state general obligation bonds for the Chehalis River basin. Flood assistance for farm communities is provided to restore agricultural infrastructure and fish and wildlife habitat protection (\$1.5 million). A flood protection study will determine the number of decertified levees in the state and identify strategies for re-certifying levees to provide protection for the communities and ensure certification by the U.S Army Corps of Engineers for 100-year flood protection (\$250,000). A flood warning system inventory and needs assessment will identify flood warning systems currently in place in flood hazard areas of the state, including manual systems and electronic systems (\$250,000). Funding is also provided to assist communities in developing housing for low-income households in areas declared a disaster by the Governor (up to \$10 million).

2008 Supplemental Capital Budget

School Construction Assistance and Skills Centers

The 2007-09 state bond appropriation for the School Construction Assistance Program within the Office of the Superintendent of Public Instruction was reduced by \$87 million to reflect revised assumptions regarding eligible projects. The 2008 Supplemental Capital Budget appropriates \$16 million in new state general obligation bonds for the purpose of expanding the capacity of skills centers, including funds for the feasibility of satellite or branch campus programs for under-served rural areas or high-density areas. In addition, the Joint Legislative Task Force on School Construction Funding has been given the responsibility of conducting a comprehensive review and evaluation of school construction funding and spending issues. Several recommendations are incorporated into the 2008 Supplemental Capital Budget, including:

- Development of a K-12 facility condition and inventory system pilot program by the Joint Legislative Audit and Review Committee (\$320,000);
- Development of methods and options for making the current School Construction Assistance Grant program more transparent in terms of the formula components and assumptions (\$150,000);
- Development of a regional school construction technical assistance program (\$1.1 million);
- Evaluation of the accuracy and reliability of enrollment forecasting methods for determining eligibility for the School Construction Assistance Grant program (\$150,000);
- Evaluation of options for using existing state trust lands or acquiring new lands in high growth areas to hold for future school expansion due to population growth (\$55,000); and
- Evaluation of cost and other implications of changing the current annual release cycle for the School Construction Assistance Grant program.

Public Infrastructure

In 2007, the Study Committee on Public Infrastructure Programs and Funding Structures was created to make recommendations for a comprehensive funding structure and a systematic approach to support the integration, consolidation, and standardization of processes and procedures for infrastructure programs. Several of the Committee's recommendations are incorporated into the 2008 Supplemental Capital Budget, including an implementation plan for an Infrastructure Investment System, small wastewater and drinking water system studies, and a Public Works Assistance Account infrastructure interest rate buy-down pilot project.

Funding is also provided for four small wastewater systems to alleviate risks to public health and the environment. These wastewater systems are in Tenino, Ritzville, Gig Harbor, and Mason County.

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
Governmental Operations		
Joint Legislative Audit & Review Committee		
K-12 Inventory Pilot Project	0	230
Statute Law Committee		
Pritchard Building Rehabilitation	-300	-300
Department of Community, Trade, & Economic Develop		
Housing Assistance, Weatherization, and Affordable Housing	56,700	70,000
Community Schools Program	4,585	4,585
Building Communities Fund Program	250	250
Drinking Water Assistance Program	0	3,600
Local and Community Projects (Adjustments to 2007 Project Levels)	2,075	2,075
2008 Local and Community Projects	18,479	18,479 pv
Longview Regional Water Treatment Plant Dredging	150	150
Quillayute Valley Wood-Fire Boiler	0	1,000
Quincy Water Treatment System Phase 1	4,500	4,500
Rural Washington Loan Fund	0	-2,100
Skagit County Digester	500	500
Snohomish County Biodiesel	0	500
Statewide Childcare Facilities Needs Assessment	42	42
Total	<u>87,281</u>	<u>103,581</u>
Office of Financial Management		
Higher Education Cost Escalation	-1,737	-1,737
Higher Education Project Scoring and Financing Study	300	300
Infrastructure Investment System	0	475
Oversight of State Facilities	404	404
Snohomish, Island, and Skagit County Higher Education	-2,500	-2,500
Total	<u>-3,533</u>	<u>-3,058</u>
Department of Personnel		
Thurston County Childcare Needs Assessment - Predesign	0	150 v

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
Department of General Administration		
Campus Monuments Repair & Restoration	288	288
Heritage Center/Executive Office Building: Design	0	6,000
Infrastructure Relocation	2,000	2,000
Legislative Building Improvements	25	0
Minor Works - Facility Preservation	210	114
Minor Works - Infrastructure Preservation	-204	-204 v
Minor Works - Program	-110	-110 v
Oversight of State Facilities	264	264
Thurston Cnty - Capital Campus High Capacity Transportation Study	0	150
Total	<u>2,473</u>	<u>8,502</u>
Washington State Patrol		
Combined State Agency Aviation Facility	364	364
DNA Crime Lab Computer System	500	500
Higher Education Campus Security Plan	200	200
Seattle Crime Lab Expansion	734	734
Total	<u>1,798</u>	<u>1,798</u>
Military Department		
Flood Warning Systems	250	250
Department of Transportation		
Culvert Replacements	5,000	5,000
Total Governmental Operations	<u><u>92,969</u></u>	<u><u>116,153</u></u>
Human Services		
WA State Criminal Justice Training Commission		
Community & Technical College Mapping	1,000	1,000
Department of Social and Health Services		
Capital Project Management	0	-250
Fircrest Campus Master Plan	270	270

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
Special Commitment Center Medium Management Housing Addition	275	275
Western State Hospital Laundry Upgrades	1,973	1,973
Total	2,518	2,268
 Department of Health		
Drinking Water Assistance Program	0	12,174
Public Health Laboratory Addition	828	828
Review of Drinking Water Systems	100	100
Total	928	13,102
 Department of Veterans' Affairs		
Walla Walla Nursing Facility	125	125
 Department of Corrections		
CRCC: Design & Construct Medium Security Facility	-12,420	-12,420
WSP: North Close Security Compound	13,007	13,770
Total	587	1,350
 Total Human Services	 5,158	 17,845
 Natural Resources		
 Department of Ecology		
Breazeale Interpretive Center	0	495
Centennial Clean Water Program	-6,596	8,008
Cleanup Toxic Sites in Puget Sound	0	2,767
Flood Protection Study	280	280
Mason County Consortium	0	500
Reduce Health Risks from Toxic Diesel Pollution	0	3,040
Reduce Public Health Risks from Wood Stove Pollution	0	1,500
Remedial Action Grants	0	8,400
Safe Soils Remediation Grants	0	2,500
Skykomish Cleanup	0	3,000
Wastewater Regionalization	100	100
Wastewater Systems Case Studies	75	75
Total	-6,141	30,665

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
State Parks and Recreation Commission		
Bigelow House Museum	100	100
Ft. Flagler - Parkwide Sewage Treatment System	2,773	2,773
Historic Preservation	-910	-910
Ike Kinswa State Park Improvement	0	500
Lake Sammamish Major Park Upgrade	150	150
Minor Works - Facility Preservation	-200	0
Ocean City Comfort Station - Fire Damage Repair	181	181
Saint Edward State Park Seminary Building: Preservation	2,310	2,310
Total	4,404	5,104
State Conservation Commission		
Flood Assistance for Farm Communities	1,500	1,500
Livestock Nutrient Program	0	4,000
Practice Incentive Payment Loan Program	0	-500
Total	1,500	5,000
Department of Fish and Wildlife		
Combined State Agency Aviation Facility	90	90
Ebey Island Property	2,300	3,300
Fish and Wildlife Population and Habitat Protection	375	375
Okanogan-Similkameen Land Acquisition	3,000	3,000
Statewide Fencing Renovation and Replacement	-669	1,331
Stemilt Basin Acquisition	200	200
Total	5,296	8,296
Department of Natural Resources		
Combined State Agency Aviation Facility	532	532
Potential School Sites - State Trust Land Study	0	30
Total	532	562
Total Natural Resources	5,591	49,627

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
Higher Education		
University of Washington		
Burke Museum Renovation	300	300
UW Tacoma - Land Acquisition	0	2,000
UW Tacoma - Soils Remediation	0	1,000
Total	300	3,300
Central Washington University		
Dean Hall Renovation	1,300	1,300
The Evergreen State College		
Daniel J Evans Building - Modernization	518	1,983
Community & Technical College System		
Bellevue Community College: L Building Emergency Repairs	1,663	1,663
Higher Education Cost Escalation	-1,000	-1,000
Minor Works - Preservation - Repairs and Minor Improvements	0	-1,000
Pierce College Fort Steilacoom: Cascade Core Phase I	3,000	4,000
Yakima Valley Community College - Skills Center	2,500	2,500
Total	6,163	6,163
Total Higher Education	8,281	12,746
Public Schools		
Public Schools		
Aviation High School	1,175	1,175
East Yakima Early Learning Center	100	100
Enrollment Projections Evaluation Study	0	150
Grant County Skills Center	927	927
Greenbridge Early Learning Center	2,000	2,000
K-12 Inventory Pilot Project	0	-850
K12 Formula Methods Study	0	150
North Central Technical Skills Center	50	50
Northeast King County Skills Center	550	550

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
Pierce County Skills Center	3,070	3,070
Potential School Sites - State Trust Lands Study	0	25
Regional School Construction Assistance Program	0	1,100
Satellite/Branch Campus Feasibility Studies	475	475
School Construction Assistance Grants	-87,127	-88,600
Seattle Skills Center Feasibility Study	75	75
Vocational Skills Centers	-1,000	-1,000
Total	<u>-79,705</u>	<u>-80,603</u>
 Other Education		
 State School for the Blind		
Minor Works - Facility Preservation	-300	-300
New Physical Education Center	300	300
Total	<u>0</u>	<u>0</u>
 Washington State Historical Society		
Olympia - State Capitol Museum: Building Preservation	207	207
Pacific-Lewis and Clark Station Camp Park Project	1,935	1,935
Total	<u>2,142</u>	<u>2,142</u>
 Total Other Education	 <u><u>2,142</u></u>	 <u><u>2,142</u></u>
 Projects Total	 <u><u>34,436</u></u>	 <u><u>117,910</u></u>
 GOVERNOR VETO		
 Governmental Operations		
 Department of Community, Trade, & Economic Develop		
2008 Local and Community Projects	-350	-350
 Department of Personnel		
Thurston County Childcare Needs Assessment - Predesign	0	-150

2008 Supplemental Capital Budget
New Appropriations Project List
Chapter 328, Laws of 2008, Partial Veto (ESHB 2765)
(Dollars in Thousands)

NEW PROJECTS	<u>State Bonds</u>	<u>Total</u>
Department of General Administration		
Minor Works - Infrastructure Preservation	204	204
Minor Works - Program	110	110
Total	<u>314</u>	<u>314</u>
Total Governmental Operations	<u>-36</u>	<u>-186</u>
Governor Veto Total	<u>-36</u>	<u>-186</u>
 TOTALS		
Projects Total	34,436	117,910
Governor Veto Total	-36	-186
Statewide Total	<u>34,400</u>	<u>117,724</u>
 BOND CAPACITY ADJUSTMENTS		
<i>(Includes both new appropriation and reappropriation adjustments)</i>		
Department of Corrections		
CBCC: Replace Support Building Roof	-350	
WSP: Replace Correctional Industry Roof	-237	
State Parks and Recreation Commission		
Facility Preservation - Facilities	-1,300	
Puget Sound Wastewater	-286	
Total Bond Capacity Adjustments	<u>-2,173</u>	
Statewide Total with Bond Capacity Adjustments	<u>32,227</u>	

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Washington State Veterans' Memorials

Winged Victory Monument: In a solemn and patriotic ceremony on the capitol grounds May 30, 1938, the Winged Victory Monument was dedicated to the memory of World War I veterans. The sculpture was unveiled by two GoldStar mothers, Mrs. Charles V. Leach and Mrs. Cordelia Cater, after whose sons the Olympia posts of the American Legion and the Veterans of Foreign Wars were named. The dedication address was presented by Stephen F. Chadwick, national chairman of the American Legion's Americanism Committee. The bronze sculpture features a 12-foot tall figure of Winged Victory surrounded by the figures of a soldier, a sailor, a marine, and a Red Cross nurse.

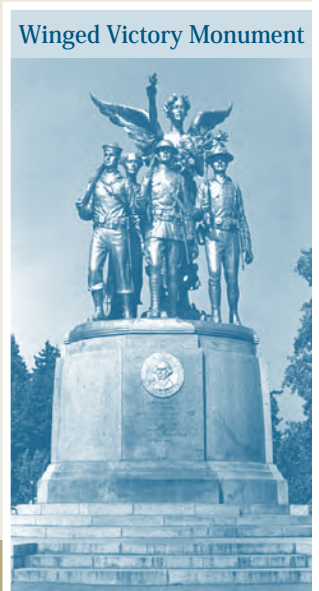
*To read more about the Washington State Veterans Memorials, visit:
www.leg.wa.gov/OutsideTheLegislature/WashingtonStateInfo/Memorials*

60th Washington State Legislature

Medal of Honor



Winged Victory Monument



World War II Memorial



Law Enforcement Memorial



POW/MIA Memorial



Vietnam Veterans Memorial



Korean War Memorial



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Topical Index

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Sen. Mark Schoesler (R)
Rep. Steve Hailey (R-1)
Rep. Joe Schmick (R-2)

District 10

Sen. Mary Margaret Haugen (D)
Rep. Norma Smith (R-1)
Rep. Barbara Bailey (R-2)

District 11

Sen. Margarita Prentice (D)
Rep. Zack Hudgins (D-1)
Rep. Bob Hasegawa (D-2)

District 12

Sen. Linda Evans Parlette (R)
Rep. Cary Condotta (R-1)
Rep. Mike Armstrong (R-2)

District 13

Sen. Janéa Holmquist (R)
Rep. Judy Warnick (R-1)
Rep. Bill Hinkle (R-2)

District 14

Sen. Curtis King (R)
Rep. Mary Skinner (R-1)
Rep. Charles Ross (R-2)

District 15

Sen. Jim Honeyford (R)
Rep. Bruce Chandler (R-1)
Rep. Daniel Newhouse (R-2)

District 16

Sen. Mike Hewitt (R)
Rep. Maureen Walsh (R-1)
Rep. Bill Grant (D-2)

District 17

Sen. Don Benton (R)
Rep. Jim Dunn (R-1)
Rep. Deb Wallace (D-2)

District 18

Sen. Joseph Zarelli (R)
Rep. Jaime Herrera (R-1)
Rep. Ed Orcutt (R-2)

District 19

Sen. Brian Hatfield (D)
Rep. Dean Takko (D-1)
Rep. Brian Blake (D-2)

District 20

Sen. Dan Swecker (R)
Rep. Richard DeBolt (R-1)
Rep. Gary Alexander (R-2)

District 21

Sen. Paull Shin (D)
Rep. Mary Helen Roberts (D-1)
Rep. Marko Liias (D-2)

District 22

Sen. Karen Fraser (D)
Rep. Brendan Williams (D-1)
Rep. Sam Hunt (D-2)

District 23

Sen. Phil Rockefeller (D)
Rep. Sherry Appleton (D-1)
Rep. Christine Rolfes (D-2)

District 24

Sen. James Hargrove (D)
Rep. Kevin Van De Wege (D-1)
Rep. Lynn Kessler (D-2)

District 25

Sen. Jim Kastama (D)
Rep. Joyce McDonald (R-1)
Rep. Dawn Morrell (D-2)

District 26

Sen. Derek Kilmer (D)
Rep. Patricia Lantz (D-1)
Rep. Larry Seaquist (D-2)

District 27

Sen. Debbie Regala (D)
Rep. Dennis Flannigan (D-1)
Rep. Jeannie Darneille (D-2)

District 28

Sen. Mike Carrell (R)
Rep. Troy Kelley (D-1)
Rep. Tami Green (D-2)

District 29

Sen. Rosa Franklin (D)
Rep. Steve Conway (D-1)
Rep. Steve Kirby (D-2)

District 30

Sen. Tracey Eide (D)
Rep. Mark Miloscia (D-1)
Rep. Skip Priest (R-2)

District 31

Sen. Pam Roach (R)
Rep. Dan Roach (R-1)
Rep. Christopher Hurst (D-2)

District 32

Sen. Darlene Fairley (D)
Rep. Maralyn Chase (D-1)
Rep. Ruth Kagi (D-2)

District 33

Sen. Karen Keiser (D)
Rep. Shay Schual-Berke (D-1)
Rep. Dave Upthegrove (D-2)

District 34

Sen. Joe McDermott (D)
Rep. Eileen Cody (D-1)
Rep. Sharon Nelson (D-2)

District 35

Sen. Tim Sheldon (D)
Rep. Kathy Haigh (D-1)
Rep. William "Ike" Eickmeyer
(D-2)

District 36

Sen. Jeanne Kohl-Welles (D)
Rep. Helen Sommers (D-1)
Rep. Mary Lou Dickerson (D-2)

District 37

Sen. Adam Kline (D)
Rep. Sharon Tomiko Santos (D-1)
Rep. Eric Pettigrew (D-2)

District 38

Sen. Jean Berkey (D)
Rep. John McCoy (D-1)
Rep. Mike Sells (D-2)

District 39

Sen. Val Stevens (R)
Rep. Dan Kristiansen (R-1)
Rep. Kirk Pearson (R-2)

District 40

Sen. Harriet Spanel (D)
Rep. Dave Quall (D-1)
Rep. Jeff Morris (D-2)

District 41

Sen. Brian Weinstein (D)
Rep. Fred Jarrett (D-1)
Rep. Judy Clibborn (D-2)

District 42

Sen. Dale Brandland (R)
Rep. Doug Ericksen (R-1)
Rep. Kelli Linville (D-2)

District 43

Sen. Ed Murray (D)
Rep. Jamie Pedersen (D-1)
Rep. Frank Chopp (D-2)

District 44

Sen. Steve Hobbs (D)
Rep. Hans Dunshee (D-1)
Rep. Liz Loomis (D-2)

District 45

Sen. Eric Oemig (D)
Rep. Roger Goodman (D-1)
Rep. Larry Springer (D-2)

District 46

Sen. Ken Jacobsen (D)
Rep. Jim McIntire (D-1)
Rep. Phyllis Gutiérrez Kenney
(D-2)

District 47

Sen. Claudia Kauffman (D)
Rep. Geoff Simpson (D-1)
Rep. Pat Sullivan (D-2)

District 48

Sen. Rodney Tom (D)
Rep. Ross Hunter (D-1)
Rep. Deborah Eddy (D-2)

District 49

Sen. Craig Pridemore (D)
Rep. Bill Fromhold (D-1)
Rep. Jim Moeller (D-2)

Standing Committee Assignments

Senate Agriculture & Rural Economic Development

Marilyn Rasmussen, *Chair*
Brian Hatfield, *V. Chair*
Mark Schoesler*
Ken Jacobsen
Bob Morton
Paull Shin

Senate Consumer Protection & Housing

Brian Weinstein, *Chair*
Claudia Kauffman, *V. Chair*
Jim Honeyford*
Jerome Delvin
Mary Margaret Haugen
Ken Jacobsen
Derek Kilmer
Bob McCaslin
Rodney Tom

Senate Early Learning & K-12 Education

Rosemary McAuliffe, *Chair*
Rodney Tom, *V. Chair*
Curtis King*
Dale Brandland
Tracey Eide
Mike Hewitt
Steve Hobbs
Janéa Holmquist
Claudia Kauffman
Joe McDermott
Eric Oemig
Marilyn Rasmussen
Brian Weinstein
Joseph Zarelli

Senate Economic Development, Trade & Management

Jim Kastama, *Chair*
Derek Kilmer, *V. Chair*
Joseph Zarelli*
Claudia Kauffman
Curtis King
Paull Shin

Senate Financial Institutions & Insurance

Jean Berkey, *Chair*
Steve Hobbs, *V. Chair*
Don Benton*
Rosa Franklin
Linda Evans Parlette
Margarita Prentice
Mark Schoesler

Senate Government Operations & Elections

Darlene Fairley, *Chair*
Eric Oemig, *V. Chair*
Pam Roach*
Don Benton
Adam Kline
Joe McDermott
Craig Pridemore
Dan Swecker

Senate Health & Long-Term Care

Karen Keiser, *Chair*
Rosa Franklin, *V. Chair*
Cheryl Pflug*
Mike Carrell
Darlene Fairley
Jim Kastama
Jeanne Kohl-Welles
Chris Marr
Linda Evans Parlette

Senate Higher Education

Paull Shin, *Chair*
Derek Kilmer, *V. Chair*
Jerome Delvin*
Jean Berkey
Mark Schoesler
Tim Sheldon

Senate Human Services & Corrections

James Hargrove, *Chair*
Debbie Regala, *V. Chair*
Val Stevens*
Dale Brandland
Mike Carrell
Chris Marr
Rosemary McAuliffe

Senate Judiciary

Adam Kline, *Chair*
Rodney Tom, *V. Chair*
Bob McCaslin*
Mike Carrell
James Hargrove
Joe McDermott
Pam Roach
Brian Weinstein

* denotes Ranking Minority Member

** denotes Assistant Ranking Minority Member

**Senate Labor, Commerce,
Research & Development**

Jeanne Kohl-Welles, *Chair*
 Karen Keiser, *V. Chair*
 Janéa Holmquist*
 Rosa Franklin
 Mike Hewitt
 Curtis King
 Ed Murray
 Margarita Prentice

**Senate Natural Resources,
Ocean & Recreation**

Ken Jacobsen, *Chair*
 Brian Hatfield, *V. Chair*
 Bob Morton*
 Karen Fraser
 James Hargrove
 Phil Rockefeller
 Harriet Spanel
 Val Stevens
 Dan Swecker

Senate Rules

Lt. Governor Brad Owen, *Chair*
 Rosa Franklin, *V. Chair*
 Mike Hewitt*
 Lisa Brown
 Tracey Eide
 Karen Fraser
 Mary Margaret Haugen
 Karen Keiser
 Adam Kline
 Jeanne Kohl-Welles
 Rosemary McAuliffe
 Ed Murray
 Linda Evans Parlette
 Cheryl Pflug
 Debbie Regala
 Mark Schoesler
 Harriet Spanel
 Val Stevens
 Joseph Zarelli

Senate Transportation

Mary Margaret Haugen, *Chair*
 Chris Marr, *V. Chair*
 Ed Murray, *V. Chair*
 Dan Swecker*
 Don Benton
 Jean Berkey
 Jerome Delvin
 Tracey Eide
 Janéa Holmquist
 Ken Jacobsen
 Jim Kastama
 Claudia Kauffman
 Derek Kilmer
 Curtis King
 Cheryl Pflug
 Tim Sheldon
 Harriet Spanel

**Senate Water, Energy
& Telecommunications**

Phil Rockefeller, *Chair*
 Ed Murray, *V. Chair*
 Jim Honeyford*
 Jerome Delvin
 Karen Fraser
 Brian Hatfield
 Janéa Holmquist
 Bob Morton
 Eric Oemig
 Craig Pridemore
 Debbie Regala

Senate Ways & Means

Margarita Prentice, *Chair*
 Karen Fraser, *V. Chair*
 (*Capital Budget*)
 Craig Pridemore, *V. Chair*
 (*Operating Budget*)
 Joseph Zarelli*
 Dale Brandland
 Mike Carrell
 Darlene Fairley
 Brian Hatfield
 Mike Hewitt
 Steve Hobbs
 Jim Honeyford
 Karen Keiser
 Jeanne Kohl-Welles
 Eric Oemig
 Linda Evans Parlette
 Marilyn Rasmussen
 Debbie Regala
 Pam Roach
 Phil Rockefeller
 Mark Schoesler
 Rodney Tom

* denotes Ranking Minority Member
 ** denotes Assistant Ranking Minority Member

Standing Committee Assignments

House Agriculture & Natural Resources

Brian Blake, *Chair*
Kevin Van De Wege, *V. Chair*
Joel Kretz*
Judy Warnick**
William Eickmeyer
Bill Grant
Steve Hailey
Patricia Lantz
Liz Loomis
John McCoy
Sharon Nelson
Daniel Newhouse
Ed Orcutt

House Appropriations

Helen Sommers, *Chair*
Hans Dunshee, *V. Chair*
Gary Alexander*
Barbara Bailey**
Larry Haler**
Glenn Anderson
Bruce Chandler
Eileen Cody
Steve Conway
Jeannie Darneille
Mark Ericks
Bill Fromhold
Bill Grant
Tami Green
Kathy Haigh
Bill Hinkle
Sam Hunt
Ross Hunter
Ruth Kagi
Phyllis Kenney
Lynn Kessler
Joel Kretz
Kelli Linville
Joyce McDonald
Jim McIntire
Dawn Morrell
Eric Pettigrew
Skip Priest
Charles Ross
Joe Schmick
Shay Schual-Berke
Larry Seaquist
Pat Sullivan
Maureen Walsh

House Appropriations Subcommittee on Education

Kathy Haigh, *Chair*
Pat Sullivan, *V. Chair*
Skip Priest*
Glenn Anderson**
Don Barlow
Larry Crouse
Bill Fromhold
Larry Haler
Jaime Herrera
Ross Hunter
Fred Jarrett
Ruth Kagi
Phyllis Kenney
Timm Ormsby
Dave Quall
Larry Seaquist
Larry Springer
Deb Wallace

House Appropriations Subcommittee on General Government & Audit Review

Kelli Linville, *Chair*
Mark Ericks, *V. Chair*
Mike Armstrong*
Mary Skinner**
Gary Alexander
Brian Blake
Bruce Chandler
Joel Kretz
Patricia Lantz
Marko Liias
Mark Miloscia
Jeff Morris
Sharon Nelson
Kevin Van De Wege

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** denotes Assistant Ranking Minority Member

House Capital Budget

Bill Fromhold, *Chair*
Timm Ormsby, *V. Chair*
Shay Schual-Berke, *V. Chair*
Joyce McDonald*
Dan Newhouse**
Sherry Appleton
Brian Blake
Maralyn Chase
Hans Dunshee
William Eickmeyer
Dennis Flannigan
Shirley Hankins
Bob Hasegawa
Troy Kelley
Jim McCune
Ed Orcutt
Kirk Pearson
Jamie Pedersen
Mike Sells
Mary Skinner
Norma Smith
Dave Upthegrove

House Commerce and Labor

Steve Conway, *Chair*
Alex Wood, *V. Chair*
Cary Condotta*
Bruce Chandler**
Larry Crouse
Tami Green
Jim Moeller
Brendan Williams

House Community & Economic Development & Trade

Phyllis Kenney, *Chair*
Eric Pettigrew, *V. Chair*
Barbara Bailey*
Joyce McDonald**
Maralyn Chase
Jeannie Darneille
Larry Haler
Christine Rolfes
Pat Sullivan

House Early Learning & Children's Services

Ruth Kagi, *Chair*
Mary Helen Roberts, *V. Chair*
Larry Haler*
Maureen Walsh**
Roger Goodman
Bill Hinkle
Eric Pettigrew

House Ecology & Parks

Dave Upthegrove, *Chair*
Christine Rolfes, *V. Chair*
Bob Sump*
Mary Lou Dickerson
Hans Dunshee
William Eickmeyer
Dan Kristiansen
Al O'Brien
Kirk Pearson

House Education

Dave Quall, *Chair*
Don Barlow, *V. Chair*
Skip Priest*
Glenn Anderson**
Kathy Haigh
Marko Lias
Dan Roach
Sharon Tomiko Santos
Pat Sullivan

House Environmental Health, Select Committee on

Tom Campbell, *Chair*
Zack Hudgins, *V. Chair*
Bob Sump*
Maralyn Chase
Steve Hailey
Sam Hunt
Dawn Morrell
Daniel Newhouse
Alex Wood

House Finance

Ross Hunter, *Chair*
Bob Hasegawa, *V. Chair*
Ed Orcutt*
Cary Condotta**
Steve Conway
Mark Ericks
Jim McIntire
Dan Roach
Sharon Tomiko Santos

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** denotes Assistant Ranking Minority Member

Standing Committee Assignments

House Health Care & Wellness

Eileen Cody, *Chair*
Dawn Morrell, *V. Chair*
Bill Hinkle*
Gary Alexander**
Don Barlow
Tom Campbell
Cary Condotta
Richard DeBolt
Tami Green
Jim Moeller
Jamie Pedersen
Shay Schual-Berke
Larry Seaquist

House Higher Education

Deb Wallace, *Chair*
Mike Sells, *V. Chair*
Glenn Anderson*
Shirley Hankins
Bob Hasegawa
Fred Jarrett
Jim McIntire
Mary Helen Roberts
Joe Schmick
Helen Sommers

House Housing

Mark Miloscia, *Chair*
Larry Springer, *V. Chair*
Mike Armstrong*
Marko Liias
Jim McCune
Timm Ormsby
Lynn Schindler

House Human Services

Mary Lou Dickerson, *Chair*
Mary Helen Roberts, *V. Chair*
John Ahern*
Maureen Walsh**
Barbara Bailey
Jeannie Darneille
John McCoy
Al O'Brien

House Insurance, Financial Services & Consumer Protection

Steve Kirby, *Chair*
Troy Kelley, *V. Chair*
Dan Roach*
Christopher Hurst
Liz Loomis
Jay Rodne
Sharon Tomiko Santos
Geoff Simpson
Norma Smith

House Judiciary

Patricia Lantz, *Chair*
Roger Goodman, *V. Chair*
Jay Rodne*
Judy Warnick**
John Ahern
Dennis Flannigan
Steve Kirby
Jim Moeller
Jamie Pedersen
Charles Ross
Brendan Williams

House Local Government

Geoff Simpson, *Chair*
Dean Takko, *V. Chair*
Judy Warnick*
Lynn Schindler**
Deborah Eddy
Sharon Nelson
Joe Schmick

House Public Safety & Emergency Preparedness

Al O'Brien, *Chair*
Christopher Hurst, *V. Chair*
Kirk Pearson*
Charles Ross**
John Ahern
Roger Goodman
Steve Kirby

* denotes Ranking Minority Member

** denotes Assistant Ranking Minority Member

House Rules

Frank Chopp, *Chair*
Richard DeBolt*
Mike Armstrong
Barbara Bailey
Mark Ericks
Doug Ericksen
Bill Grant
Tami Green
Zack Hudgins
Christopher Hurst
Troy Kelley
Lynn Kessler
Dan Kristiansen
Jim McCune
Joyce McDonald
Jim Moeller
Dawn Morrell
Jeff Morris
Daniel Newhouse
Timm Ormsby
Sharon Tomiko Santos
Larry Springer
Bob Sump
Brendan Williams

House State Government & Tribal Affairs

Sam Hunt, *Chair*
Sherry Appleton, *V. Chair*
Bruce Chandler*
Mike Armstrong**
Joel Kretz
Marko Liias
Mark Miloscia
Timm Ormsby

House Technology, Energy & Communications

John McCoy, *Chair*
Deborah Eddy, *V. Chair*
Larry Crouse*
Jim McCune**
Doug Ericksen
Shirley Hankins
Jaime Herrera
Zack Hudgins
Christopher Hurst
Troy Kelley
Jeff Morris
Dean Takko
Kevin Van De Wege

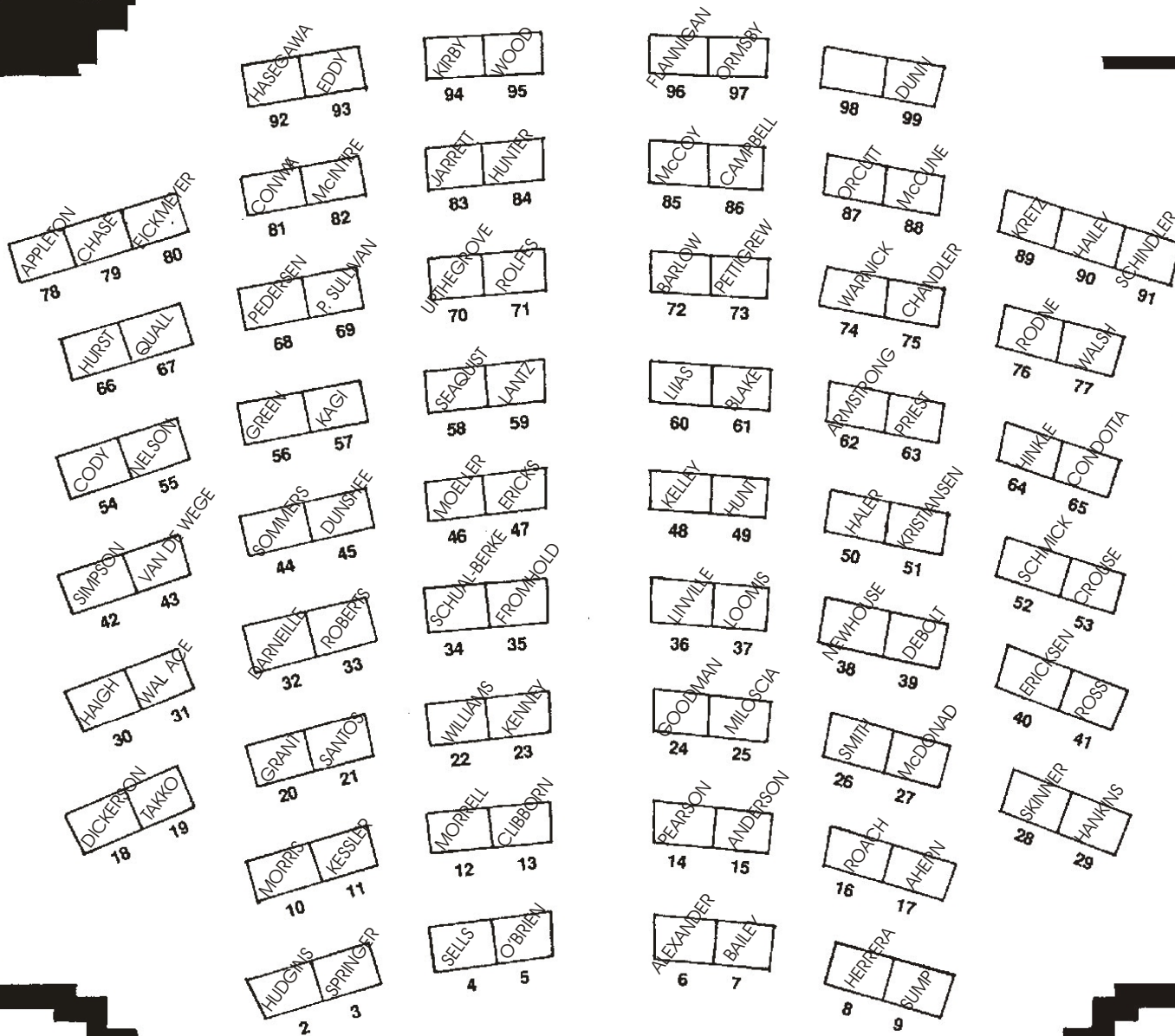
House Transportation

Judy Clibborn, *Chair*
Dennis Flannigan, *V. Chair*
Doug Ericksen*
Lynn Schindler**
Sherry Appleton
Mike Armstrong
Tom Campbell
Mary Lou Dickerson
Deborah Eddy
Steve Hailey
Jaime Herrera
Zack Hudgins
Fred Jarrett
Dan Kristiansen
Liz Loomis
Jay Rodne
Christine Rolfes
Mike Sells
Geoff Simpson
Norma Smith
Larry Springer
Dean Takko
Dave Upthegrove
Deb Wallace
Judy Warnick
Brendan Williams
Alex Wood

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** denotes Assistant Ranking Minority Member

2008 HOUSE SEATING



DEPUTY CLERK	CHIEF CLERK	READER	JOURNAL/STATUS CLERK
DEAN	BAKER	KOCHANIEWICZ	MACKEY

SPEAKER ATTORNEY MAYNARD	SPEAKER CHOPP
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2008 – Legislative Session Senate Seating

Hatfield 19	McDermott 34	Kastama 25	Berkey 38	Tom 48	Pridemore 49	Oemig 45	Jacobsen 46
Kilmer 26	Hobbs 44	Kauffman 47	Keiser 33	Shin 21	Sheldon 35	Rockefeller 23	
Brandland 42	Holmquist 13	Honeyford 15		Hargrove 24	Kline 37	Regala 27	
Stevens 39	Parlette 12	Swecker 20		Weinstein 41	Kohl-Welles 36	Rasmussen 2	
Zarelli 18	Hewitt 16	Schoesler 9		Eide 30	Marr 6	Fairley 32	
Roach 31	King 14	Pflug 5		Brown 3	Spanel 40	Murray 43	
Benton 17	Carrell 28	Delvin 8		Franklin 29	McAuliffe 1	Haugen 10	
	McCaslin 4	Morton 7		Fraser 22	Prentice 11		

= District

Sgt. at Arms	Microphones	Journal Clerk	Reading Clerk	Secretary of the Senate	Deputy Secretary of the Senate
Jim Ruble	Lucretia Turner	Linda Jansson	Ken Edmonds	Tom Hoemann	Brad Hendrickson

Senate Counsel Mike Hoover	President of the Senate Lieutenant Governor Brad Owen	Senate Counsel Marty Lovinger
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Press Desk

