2015

FINAL LEGISLATIVE REPORT

64TH WASHINGTON STATE LEGISLATURE

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64TH WASHINGTON STATE LEGISLATURE

Sixty-Fourth Washington State Legislature

2015 Regular Session

2015 First Special Session

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2015

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64TH WASHINGTON STATE LEGISLATURE

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Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
2015 Regular Session (January 12- April 24)					
House	1249	141	0	4	141
Senate	1116	157	1	5	156
TOTALS	**2365**	**298**	**1**	**9**	**297**
2015 First Special Session (April 29 - May 28)					
House	9	4	0	1	4
Senate	12	5	0	0	5
TOTALS	**21**	**9**	**0**	**1**	**9**
2015 Second Special Session (May 29 - June 27)					
House	27	10	0	1	10
Senate	15	1	0	0	1
TOTALS	**42**	**11**	**0**	**1**	**11**
2015 Third Special Session (June 28 - July 10)					
House	4	20	0	1	20
Senate	3	25	0	3	25
TOTALS	**7**	**45**	**0**	**4**	**45**

Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature	Introduced	Filed with the Secretary of State
2015 Regular Session (January 12- April 24)		
House	28	5
Senate	25	5
TOTALS	**53**	**10**
2015 First Special Session (April 29 - May 28)		
House	3	3
Senate	0	0
TOTALS	**3**	**3**
2015 Second Special Session (May 29 - June 27)		
House	3	2
Senate	1	1
TOTALS	**4**	**3**
2015 Third Special Session (June 28 - July 10)		
House	3	2
Senate	2	1
TOTALS	**5**	**3**

Initiatives & Tax Advisories		
2015 Regular Session (January 12- April 24)	**5**	**4**
2015 First Special Session (April 29 - May 28)	**0**	**0**
2015 Second Special Session (May 29 - June 27)	**0**	**0**
2015 Third Special Session (June 28 - July 10)	**0**	**0**

Statistical Summary

Gubernatorial Appointments	Referred	Confirmed
2015 Regular Session (January 12- April 24)	**238**	**65**
2015 First Special Session (April 29 - May 28)	**4**	**0**
2015 Second Special Session (May 29 - June 27)	**1**	**6**
2015 Third Special Session (June 28 - July 10)	**0**	**1**

Historical - Bills Passed Legislature

Ten-Year Average				2015 Actual				
	Odd Years	Even Years	Biennial	Reg. Session	1st Special	2nd Special	3rd Special	TOTAL
House Bills	248	163	411	141	4	10	20	175
Senate Bills	209	148	357	157	5	1	25	188
TOTALS	**457**	**311**	**768**	**298**	**9**	**11**	**45**	**363**

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64TH WASHINGTON STATE LEGISLATURE

Section I: Legislation Passed

2015

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Numerical List

I 594

C 1 L 15

Background checks for firearm sales and transfers.

By People of the State of Washington.

Background: Overview of Firearms Laws. Both federal and state law regulate the possession and transfer of firearms. Firearms dealers (dealers) are required to have licenses in order to sell firearms. Under state law, a dealer includes anyone engaged in the business of selling firearms who has or is required to have a federal dealer's license. A person is not required to have a dealer's license if the person makes only occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or sells all or part of his or her personal collection of firearms.

Federal and state law prohibit certain persons from possessing firearms, including persons convicted of felonies and certain misdemeanor domestic violence offenses, minors, and persons who have been involuntarily committed for mental health treatment. Dealers must comply with both federal and state background check requirements before transferring firearms to persons who do not have a federal firearms license (unlicensed persons). Neither federal nor state law requires background checks for firearms transfers by unlicensed persons. However, it is a class C felony for a person to transfer a firearm to another person whom the transferor has reasonable cause to believe is ineligible to possess a firearm.

Federal Background Check Requirements. Under the federal Brady Handgun Violence Prevention Act, a dealer must, with few exceptions, conduct a background check for all firearm sales or transfers to unlicensed persons to determine whether the purchaser is prohibited from possessing a firearm. This background check is conducted through the National Instant Criminal Background Check System (NICS).

A NICS check typically returns an immediate response. However, if the NICS system response is delayed, the dealer may deliver the firearm to the purchaser three business days after initiating the NICS check if the dealer has not received a notification from NICS that the purchaser is ineligible to possess a firearm.

With some exceptions, it is unlawful to transfer a firearm to an unlicensed person who resides in a different state than the transferor. One exception allows dealers to transfer rifles and shotguns to a person who is not a resident of the state in which the dealer is located if the transfer complies with all legal requirements applicable in both states.

State Background Check Requirements. The firearms chapter requires a dealer to conduct a background check for the sale or transfer of a pistol, but not for the sale or transfer of a rifle or shotgun. A purchaser must fill out an application containing specified information relating to the purchaser and the pistol being purchased. The dealer contacts the local sheriff or police department to conduct the NICS check and a state background check for all pistol sales or transfers where the purchaser does not have a valid concealed pistol license (CPL). If the purchaser has a valid CPL, the dealer will conduct any required NICS check, and the local law enforcement agency will conduct the required state background check.

The state background check includes a check of the Washington State Patrol databases, the Department of Licensing (DOL) firearms database, and state and local mental health agencies.

A dealer may not deliver a pistol to a prospective purchaser until one of the following occurs:

- the purchaser produces a valid CPL;
- the dealer is notified by the chief of police or sheriff that the purchaser is eligible to possess the firearm and the application is approved; or
- five business days have elapsed since the application was received by the law enforcement agency (up to 60 days if the person does not have a Washington driver's license or identification card or has not resided in the state for the previous 90 days).

A dealer must deliver the pistol to the purchaser following the specified time periods unless the law enforcement agency has notified the dealer of an investigative hold. A record of the pistol transfer must be retained by the dealer for six years, a copy of which must be submitted to the DOL, which maintains this information in its firearms database.

Non-residents may purchase rifles and shotguns in Washington, and Washington residents may purchase rifles and shotguns in another state, as long as the transaction complies with federal law and the purchaser is eligible to purchase or possess the firearm under the laws of Washington and the other state.

Other Provisions. The DOL Firearms Unit maintains the state firearms database, which includes records of pistol transfers. In addition, the DOL Firearms Unit provides forms, information, and training to law enforcement agencies, firearms dealers, and the public relating to state firearms licensing requirements and regulations.

The state retail sales and use tax generally applies to the sale of firearms. There is a sales tax exemption for casual and isolated sales by sellers who are not engaged in business. A firearm sale by a private individual would thus not be subject to the sales tax, but the transaction would be subject to the state use tax. In addition, a firearms dealer who facilitates the sale of a firearm is required to collect use tax from the buyer.

Summary: Background Check Requirements. All firearms sales or transfers are subject to background checks unless specifically exempted by federal or state law. This requirement applies to all sales or transfers in whole or in part in Washington, including sales and transfers through a dealer, at gun shows, online, and between unlicensed persons. "Transfer" means the intended delivery of a firearm

to another person without consideration of payment or promise of payment, including gifts and loans.

Any sale or transfer of a firearm where neither party is a dealer must be completed through a dealer according to the following requirements:

- The seller or transferor must deliver the firearm to the dealer. The seller or transferor may remove the firearm from the dealer's premises while the background check is being conducted, but the firearm must be returned to the dealer prior to completing the transaction.
- The purchaser or transferee must complete and sign all federal, state, and local forms needed for processing the background check.
- The dealer must process the transaction by complying with all federal and state laws that would apply if the dealer were selling or transferring the firearm from the dealer's inventory.
- If the purchaser or transferee is ineligible to possess a firearm, the dealer must return the firearm to the seller or transferor.

The dealer may charge a fee for facilitating a sale or transfer that reflects the fair market value of the administrative costs incurred.

A dealer may not deliver a firearm to a purchaser or transferee, except as otherwise authorized, until the earlier of:

- the completion of all required background checks if the purchaser or transferee is not ineligible under federal or state law to possess a firearm; or
- ten business days have passed since the dealer requested the background check, except this period is 60 days for a pistol transfer if the purchaser or transferee does not have a valid Washington driver's license or identification card or has not been a resident for the previous 90 days.

Exemptions. The following are exempt from the background check requirements established in the initiative:

- gifts between family members;
- sales or transfers of antique firearms;
- sales or transfers by or to law enforcement and corrections agencies, and if in connection with official duties, law enforcement and corrections officers, military members, and federal officials;
- receipt of a firearm by a gunsmith for service or repair, or return of the firearm to its owner;
- temporary transfers where the transfer:
  - is necessary to prevent imminent death or great bodily harm to the transferee, if the transfer lasts only as long as needed and the transferee is not prohibited from possessing firearms;
  - is between spouses or domestic partners;
  - occurs at an established shooting range authorized by the local governing body and the firearm is kept at all times at the range;
  - occurs at a lawful organized firearm competition or performance and the firearm is possessed exclusively at the competition or performance;
  - is to a person under 18 years of age for lawful hunting, sporting, or educational purposes while under direct supervision of a responsible adult; or
  - occurs while legally hunting if the transferee has completed all required training, holds all required licenses or permits, and is not prohibited from possessing a firearm;
- acquisition of a firearm, other than a pistol, by inheritance; or acquisition of a pistol by inheritance within the preceding 60 days, after which time the person must either transfer the pistol or notify the DOL that the person is retaining the pistol.

Pistol Deliveries by Dealers. The period after which a pistol may be delivered even if the background check has not been completed is changed to 10 days. The requirement that a pistol be securely wrapped and unloaded when delivered is eliminated.

Penalties. A person who knowingly violates the background check requirements established in the initiative is guilty of a gross misdemeanor for a first offense, and a class C felony for each subsequent offense. Each firearm sold or transferred in violation of the initiative's background check requirements is a separate offense. A class C felony conviction for this offense is included in the definition of "serious offense" for purposes of the crime of unlawful possession of a firearm.

Other Provisions. A resident of Washington who purchases a rifle or shotgun in another state is subject to the background check requirements of the initiative if any part of the transaction occurs in Washington, including online sales. A resident of another state who purchases a rifle or shotgun in Washington is subject to the state's procedures and background check requirements.

The DOL is given authority to adopt rules to implement the initiative. The DOL must report any violation of the firearms chapter by a dealer to the Bureau of Alcohol, Tobacco, Firearms & Explosives. In addition, the DOL may, after notice and a hearing, revoke the license of any dealer who violates the firearms chapter.

The retail sales tax does not apply to the sale or transfer of a firearm between two unlicensed persons if they have complied with all required background checks. A dealer who facilitates the sale or transfer of a firearm between unlicensed persons is not obligated to collect a use tax on the transaction.

Effective: December 4, 2014

I 1351
C 2 L 15

Concerning K-12 education.

By People of the State of Washington.

Background: In 2009, Engrossed Substitute House Bill 2261 (ESHB 2261) revised the definition of the state program of Basic Education and established new methods for distributing state funds to school districts to support this program. The new "prototypical school" funding formula was based on allocations for assumed class sizes and the administrative, classified, and instructional staff of various types assumed to be needed in a prototypical elementary, middle, and high school of a particular size. The formula also includes funding assumptions about nonstaff costs, district-wide support, central administration, and special programs. The 2009 legislation described the structural components of the new formula, but did not provide numeric values for the various formula elements.

In 2010, Substitute House Bill 2776 (SHB 2776) placed into statute numeric values for the formula that were intended to represent, as closely as possible, a translation of the 2009-2010 budgeted levels of state funding for Basic Education. These "baseline" values were developed by the Funding Formula Technical Working Group established in ESHB 2261.

Substitute House Bill 2776 also added four enhancements to the program: (1) reduction to 17 students per teacher of the average class size for grades kindergarten through 3 by the 2017-18 school year, beginning with schools where more than 50 percent of students were eligible for free and reduced-price meals in the prior school year (high poverty schools); (2) continued phase-in of funding for full-day kindergarten until statewide implementation is achieved in the 2017-18 school year; (3) increased funding for materials, supplies and operating costs to a specified value adjusted for inflation by the 2015-16 school year; and (4) full implementation of the new pupil transportation funding formula by the 2013-2015 biennium. The enhancement values enacted by the legislature were based, in substantial part, on recommendations from the Quality Education Council's (QEC) January 2010 report to the Legislature.

In addition, the QEC's January 2010 report contained recommendations and provisional discussion values that were not enacted by the Legislature. The provisional discussion values included values for increased staffing levels in grades 4 through 12.

Summary: Initiative 1351 may be known and cited as the Lower Class Sizes for a Quality Education Act.

Findings and Intent. Findings are made regarding the benefits of reducing class sizes. The initiative's purpose is to address the Washington Supreme Court's decision in *McCleary v. the State of Washington* by reducing class sizes and increasing staff ratios.

Minimum Allocations for Class Size. The statutory prototypical school funding formula is changed effective September 1, 2018. The class sizes for grades 4 through 12 reflect the provisional discussion values included in the QEC's 2010 report.

Numeric values for average class size, which form the basis of allocations for classroom teachers in the funding formula, are changed as follows:

Table 1:

Grade Level	Current Statutory Class Size	I-1351 Class Size
Grades K-3	25.23/17.00[1]	17.00
Grade 4	27.00	25.00
Grades 5-6	27.00	25.00
Grades 7-8	28.53	25.00
Grades 9-12	28.74	25.00
Middle & High School Career and Technical Education	26.57	19.00
Skill Centers	22.76	16.00

1. The 2010 legislation also specified that between the 2011-2012 and 2017-2018 school years the general education average class size for grades kindergarten through 3 must be reduced to 17.0, beginning with schools with the highest percentage of free and reduced-price meals in the prior school year (SHB 2776).

Additionally, allocations for average class size in high poverty schools are specified in statute. The following table compares the class size for high poverty schools provided for in the omnibus appropriations act for school year 2014-15 with the Initiative1351 class size for high poverty schools.

Table 2:

Grade Level	Omnibus Appropriations Act Class Size for High Poverty Schools for School Year 2014-15	I-1351 Class Size for High Poverty Schools
Grades K-1	20.30	15.00
Grades 2-3	24.10	15.00
Grade 4	27.00	22.00
Grades 5-6	27.00	23.00
Grades 7-8	28.53	23.00
Grades 9-12	28.74	23.00

Funding for the specified average class size is provided only to the extent of, and proportionate to, the school

district's demonstrated actual average class size, up to the funded level. School districts that demonstrate capital facility needs that prevent them from reducing actual class size to funded levels may use funding provided for minimum class size allocations for school-based personnel who provide direct services to students, but must annually report this expenditure by school and grade level.

The Office of the Superintendent of Public Instruction must adopt rules to implement these provisions.

Minimum Allocations for Building-Level Staff. The statutory full-time equivalent (FTE) staff allocations for each level of prototypical school are increased to the following:

Table 3:

Staff Type	Elementary School Building-Level Staff Allocation (FTEs) (400 students)	
	Current Allocation	I-1351 Allocation
Principals, Building Administrators	1.253	1.30
Teacher Librarians	0.663	1.0
School Nurses	0.076	0.585
School Social Workers	0.042	0.311
School Psychologists	0.017	0.104
Guidance Counselors	0.493	0.50
Teaching Assistance	0.936	2.0
Office Support, Non-instructional Aides	2.012	3.0
Custodians	1.657	1.7
Student and Staff Safety	0.079	0.0
Parent Involvement Coordinators	0.0/0.0825[1]	1.0

1. The 2013 Omnibus Appropriations Act (Chapter 4, Laws of 2013 (Third Engrossed Substitute Senate Bill 5034)) included enhancements to the minimum building level staff allocations for guidance counselors and parent involvement coordinators. Funding was provided for a minimum allocation of 0.0825 FTE parent involvement coordinators for the prototypical elementary school and a minimum allocation of 1.216 FTE and 2.009 FTE guidance counselors for the prototypical middle and high schools, respectively.

Table 4:

Staff Type	Middle School Building-Level Staff Allocation (FTEs) (432 students)	
	Current Allocation	I-1351 Allocation
Principals, Building Administrators	1.353	1.40
Teacher Librarians	0.519	1.0
School Nurses	0.060	0.888
School Social Workers	0.006	0.088
School Psychologists	0.002	0.024
Guidance Counselors	1.116/1.216[1]	2.0
Teaching Assistance	0.700	1.0
Office Support, Non-instructional Aides	2.325	3.5
Custodians	1.942	2.0
Student and Staff Safety	0.092	0.7
Parent Involvement Coordinators	0.0	1.0

1. See Table 3, footnote 1.

Table 5:

Staff Type	High School Building-Level Staff Allocation (FTEs) (600 students)	
	Current Allocation	I-1351 Allocation
Principals, Building Administrators	1.880	1.90
Teacher Librarians	0.523	1.0
School Nurses	0.096	0.824
School Social Workers	0.015	0.127
School Psychologists	0.007	0.049
Guidance Counselors	1.909/ 2.009[1]/ 2.539[2]	3.5
Teaching Assistance	0.652	1.0
Office Support, Non-instructional Aides	3.269	3.5
Custodians	2.965	3.0
Student and Staff Safety	0.141	1.3
Parent Involvement Coordinators	0.0	1.0

1. See Table 3, footnote 1.
2. The allocation for high school guidance counselors increases to 2.539 beginning September 1, 2014. Chapter 217 § 206, Laws of 2014 (Engrossed Second Substitute Senate Bill 6552).

Minimum Allocations for District-wide Support Staff.

The allocations of district-wide support staff per 1,000 FTE students are increased as follows:

Table 6:

District-wide Support Staff	Current FTE	I-1351 Proposed FTE
Technology	0.628	2.8
Facilities, Maintenance, Grounds	1.813	4.0
Warehouse, Laborers, Mechanics	0.332	1.9

Funding Timeline. For the 2015-2017 biennium, funding allocated under the prototypical school funding formula must be no less than 50 percent of the difference between funding as of September 1, 2013, and the funding necessary to support the new statutory class size and staffing allocations, with priority for additional funding given to the highest poverty schools and districts. By the end of the 2017-2019 biennium, state allocations must fully fund the new statutory class size and staffing allocations.

Effective: December 4, 2014
September 1, 2018 (Section 2)

SHB 1002
C 9 L 15

Prohibiting unfair and deceptive dental insurance practices.

By House Committee on Health Care & Wellness (originally sponsored by Representative DeBolt).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Health carriers may enter into contracts with health care providers under which the providers agree to accept a specified reimbursement rate for their services. Health carriers require prior authorization for certain health procedures. Prior authorization is the requirement that a health care provider seek approval of a drug, procedure, or test before seeking reimbursement from a health carrier.

A health carrier offering a health benefit plan must annually submit certain data to the Office of the Insurance Commissioner (OIC), including:

- the total number of members;
- the total amount of hospital and medical payments;
- the medical loss ratio;
- the average amount of premiums per member per month;
- the percentage change in the average premium per member per month;
- the total amount of claim adjustment expenses;
- the total amount of general administrative expenses;
- the amount of reserves for unpaid claims;
- the total net underwriting gain or loss;
- the carrier's net income after taxes;
- dividends to stockholders;
- the net change in capital and surplus from the prior year; and
- the total amount of the capital and surplus from the prior year.

The OIC must make this information available to the public through a searchable public website.

Summary: Emergency Dental Conditions. A health carrier offering a dental-only plan may not deny coverage for

treatment of an emergency dental condition that would otherwise be considered a covered service of an existing benefit contract on the basis that the service was provided on the same day the covered person was examined and diagnosed for the emergency dental condition.

An emergency dental condition is a dental condition manifesting itself by acute symptoms of sufficient severity that a prudent layperson possessing an average knowledge of health and dentistry could reasonably expect the absence of immediate dental attention to result in:

- placing the patient, or her unborn child, in serious jeopardy;
- serious impairment of bodily functions; or
- serious dysfunction of any bodily organ or part.

Dental-Only Plan Reporting.

A health carrier offering a dental-only plan must annually submit the following data to the OIC on an aggregate level:

- the total number of dental members;
- the total amount of dental revenue;
- the total amount of dental payments;
- the dental loss ratio;
- the average amount of premiums per month; and
- the percentage change in the average premium per member per month measured from the previous year.

The OIC must make this information available to the public through a searchable public website.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: January 1, 2017

HB 1004

C 59 L 15

Clarifying provisions that allow for the tasting of alcohol by students under twenty-one years of age.

By Representatives Springer, Manweller, Moeller, Walsh, Blake, Buys, Reykdal, Wilcox, Condotta, Fey, Gregerson and Sawyer.

House Committee on Commerce & Gaming
Senate Committee on Commerce & Labor

Background: The Liquor Control Board (LCB) may issue a special permit to a community or technical college allowing certain students to lawfully taste alcohol provided they are at least 18 years old, yet still under age 21, and enrolled in a class that is part of a culinary, wine technology, beer technology, or spirituous technology-related degree program. The issuance of the permit requires that the following criteria be met:

- the permit applicant must be a qualifying community or technical college student;
- the alcohol is tasted but not consumed by the student;
- the tasting of the alcohol is for the purpose of educational training as part of the class curriculum and is approved by the educational provider;
- the service and tasting of alcoholic beverages is supervised by a faculty or staff member who is 21 years of age or older and who possesses the requisite alcohol servers permit issued by the LCB; and
- an enrolled student permitted to taste an alcoholic beverage may not purchase the alcoholic beverage.

The LCB must waive any permit fees that might otherwise be applicable.

Viticulture and enology are the two disciplines of wine production. Viticulture is the science, production, and study of grapes and their culture. Enology is the science and study of all aspects of wine and winemaking except vine-growing and grape-harvesting. Viticulture and enology degree programs generally offer students the opportunity to study and research wine-grape growing and winemaking. The term "sommelier" is generally used to describe a restaurant employee who has extensive knowledge regarding wines and who orders and maintains the wines sold in the restaurant.

Summary: The range of educational institutions that may receive the special permit from the LCB allowing the tasting of alcohol by underage students enrolled in specified culinary or alcoholic beverage technology classes is expanded to include regional and state universities. In addition, the types of degree programs eligible for the special alcohol tasting permit is expanded to include sommelier, wine business, enology, and viticulture degree programs.

Votes on Final Passage:

House	94	4
Senate	38	6

Effective: July 24, 2015

SHB 1010

C 10 L 15

Concerning referral of medical cases to occupational therapists.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Johnson, Cody, Harris, Moeller, Manweller, Walsh, Clibborn, Robinson, Tharinger, Riccelli, Rodne, Short, Gregerson and Buys).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: An occupational therapist is a person licensed by the Board of Occupational Therapy Practice to practice occupational therapy. "Occupational therapy" is the scientifically based use of purposeful activity that maximizes independence, prevents disability, and maintains the health of individuals who are limited by physical injury or illness, psychosocial dysfunction, developmental

or learning disabilities, or the aging process. It includes evaluation, treatment, and consultation. Examples of the practice of occupational therapy include:

- using specifically designed activities and exercises to enhance neurodevelopmental, cognitive, perceptual motor, sensory integrative, and psychomotor functioning;
- administering and interpreting tests such as manual muscle and sensory integration;
- teaching daily living skills;
- developing pre-vocational skills and play and avocational activities;
- designing, fabricating, or applying selected orthotic and prosthetic devices or selected adaptive equipment;
- adapting environments for persons with disabilities; and
- wound care management.

An occupational therapist may treat a medical case only upon referral of a physician, osteopathic physician, podiatric physician and surgeon, naturopath, chiropractor, physician assistant, psychologist, or advanced registered nurse practitioner. If an occupational therapist evaluates a patient and finds that the patient's case is medical, he or she must refer the case to a physician for appropriate medical direction if direction is lacking. A case is not a medical case if there is an absence of pathology or if a pathology has stabilized and the occupational therapist is only treating the client's functional deficits.

Summary: An occupational therapist may treat a medical case upon referral of an optometrist.

Votes on Final Passage:

House	96	0
Senate	49	0

Effective: July 24, 2015

HB 1011

C 11 L 15

Assigning counties to two climate zones for purposes of the state building code.

By Representatives Short, Takko, Springer, Buys, Kretz, Shea, Gregerson and Condotta.

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

Background: The State Building Code. The State Building Code (SBC) provides statewide minimum performance standards and requirements for construction and construction materials, consistent with accepted standards of engineering, fire, and life safety. The SBC is comprised of model codes, including building, residential, fire, and plumbing codes, adopted by reference in statute, as well as rules developed and adopted by the State Building Code Council (Council). The Council is responsible for adopting, amending, and maintaining as appropriate the model codes adopted by reference. The Council reviews updated editions of model codes on a three-year cycle.

The Washington State Energy Code. The Council is charged with adopting rules to be known as the Washington State Energy Code (WSEC), as part of the SBC. The WSEC for residential buildings is the maximum and minimum energy code for residential construction in each county, city, and town, while the WSEC for commercial or nonresidential buildings is the minimum energy code for commercial construction.

The WSEC must take into account regional climatic conditions. Statute assigns each of Washington's 39 counties to one of two climate zones: climate zone 1 or climate zone 2. The following counties are assigned by statute to climate zone 2: Adams, Chelan, Douglas, Ferry, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman counties. All other counties are assigned to climate zone 1.

Effective July 1, 2013, the Council adopted the 2012 edition of the International Energy Conservation Code (IECC) with amendments as the energy code for residential and commercial buildings in Washington.

The 2012 International Energy Conservation Code. The International Energy Conservation Code (IECC) is a model code developed and published by the International Code Council, Inc. The IECC regulates the design and construction of buildings for the effective use and conservation of energy over the useful life of each building. New editions of the IECC are developed and published on a three-year cycle.

The 2012 IECC model code divides the United States into eight climate zones (1 through 8, with sub-designations A, B, and C). Climate zone assignments are used to determine whether different IECC requirements are applicable within a specific jurisdiction or region. Under the 2012 IECC model code, Washington is divided among three climate zones: 4C, 5B, and 6B. In general, counties located west of the Cascade Mountain Range are assigned to zone 4C, and counties located east of the Cascade Mountain Range, with the exception of four counties, are assigned to zone 5B. Four counties, Ferry, Okanogan, Pend Oreille, and Stevens, are assigned to zone 6B.

In adopting the 2012 IECC as Washington's energy code for residential and commercial buildings, the Council amended the model code's climate zone assignments. Instead of assigning Washington counties to three climate zones, the Council adopted rules assigning each county to one of two zones. The following counties are assigned by rule to climate zone 5B: Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Spokane, Stevens, Walla Walla, Whitman, and Yakima. All other counties in Washington are assigned by rule to zone 4C.

Summary: The State Building Code Act specifies that the state's climate zones for building purposes are designated in statute. The assignment of a county to a climate zone may not be changed by adoption of a model code or rule.

The state's climate zones, as designated in statute, are modified in several ways. First, the two climate zones are no longer numbered or identified as "climate zone 1" and "climate zone 2." The two zones are instead distinguished by specifying that one zone is comprised of specific counties, while the other zone is comprised of all other counties.

Second, the statutory climate zone assignments of nine counties are changed. The following counties are added to the zone with specifically listed counties (formerly, climate zone 2): Asotin, Benton, Columbia, Franklin, Garfield, Klickitat, Skamania, Walla Walla, and Yakima.

Finally, statute provides that the Council is not prohibited from adopting the same rules or standards for each climate zone.

Votes on Final Passage:

House	98	0
Senate	46	0

Effective: July 24, 2015

HB 1013

C 179 L 15

Authorizing regular meetings of county legislative authorities to be held at alternate locations within the county.

By Representatives Appleton, Johnson, Hansen, Takko, Gregerson and Fey.

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

Background: Washington counties provide regional services to all residents within their jurisdiction, including administering elections and furnishing judicial services, and a broader array of services to residents in unincorporated areas.

County legislative authorities must hold regular meetings at the county seat to transact any business required or permitted by law. Although the term "regular meeting" is not defined in statutory provisions governing counties, the Municipal Research and Services Center defines "regular meeting" as one that is held according to a schedule adopted by the applicable public governing body.

The location requirements for special meetings are less restrictive and authorize county legislative authorities to hold special meetings (meetings that are not held according to an adopted schedule) at any location within the county if the agenda item or items are of unique interest or concern to the citizens of the area in the county in which the special meeting is to be held.

Summary: County legislative authorities may hold regular meetings at alternate locations outside of the county seat, but within the county, if the legislative authority determines that holding a meeting at an alternate location would be in the interest of supporting greater citizen engagement in local government. This alternate location option may be exercised once per calendar quarter.

At least 30 days before holding a regular meeting outside of the county seat, the county legislative authority must give notice of the meeting. At a minimum, the notice must be: (1) posted on the county's website; (2) published in a newspaper of general circulation in the county; and (3) sent via electronic mail (e-mail) to residents of the county who have chosen to receive notice by e-mail.

Votes on Final Passage:

House	80	17	
Senate	45	0	(Senate amended)
House	80	16	(House concurred)

Effective: July 24, 2015

SHB 1021

C 2 L 15 E 1

Creating a silver alert system.

By House Committee on Public Safety (originally sponsored by Representatives Appleton, Orwall, Robinson, Bergquist, Cody, Hudgins, Senn, Santos and Fey).

House Committee on Public Safety
Senate Committee on Law & Justice

Background: The America's Missing Broadcast Emergency Response (AMBER) Alert system is a system in which broadcasters, cable systems, and law enforcement agencies voluntarily cooperate to assist in finding abducted children. The Washington State Patrol (WSP) is the lead agency for the AMBER Alert plan in Washington. An AMBER Alert may be activated directly by a local law enforcement agency that has either an approved local AMBER Alert plan or a mutual aid agreement with an agency that has an approved plan or directly by the WSP if the local law enforcement agency does not have an approved plan.

Once the WSP receives notification of an AMBER Alert, the WSP then notifies the Washington State Emergency Management Division, which issues an alert to radio and television media through the Emergency Alert System (EAS). Upon receiving the necessary information, radio and television media then broadcast the information about the abduction provided through the EAS. This information typically includes a picture or description of the missing child, details of the abduction, the name and a picture or description of the suspected abductor, and information about the vehicle used by the abductor. The WSP also notifies the Department of Transportation (DOT) of the AMBER Alert, and the DOT places the information on highway traffic signs (electronic reader boards).

An AMBER Alert may only be initiated in abduction cases that meet criteria specified in the AMBER Alert plan. The main criteria are:

- the child is under the age of 18 years and is known to be abducted (not a runaway);
- the child is believed to be in danger of death or serious bodily injury; and
- there is enough descriptive information available to believe that an AMBER Alert activation will assist in recovery of the child.

An approved plan must meet the criteria of the WSP's statewide AMBER Alert plan, and specify local law enforcement agency procedures to investigate a child abduction case, approve AMBER Alert activations, coordinate community response, and direct the recovery of a child. The Department of Justice AMBER Alert Coordinator and the National Center for Missing and Exploited Children have provided guidelines for the states when establishing criteria for issuing an alert. The Federal Communications Commission (FCC) governs the national broadcasting of Amber Alert notifications.

Some states have also started local Silver Alert programs for adults with cognitive impairments who are lost. Silver Alerts are designed to alert the public and law enforcement agencies in helping to look for and identify missing adults. These programs often are targeted for adults with Alzheimer's disease, dementia, or other cognitive impairments. A Silver Alert is not approved and may not be broadcast in the same fashion as an AMBER Alert.

The WSP is responsible for operating a Missing Children and Endangered Person (MCEP) Clearinghouse. The MCEP Clearinghouse plan involves the voluntary cooperation between local, state, tribal, and other law enforcement agencies, state government agencies, radio and television stations, and cable and satellite systems to enhance the public's ability to assist in recovering endangered missing persons who do not qualify for inclusion in an AMBER Alert.

In an instance where a missing person does not qualify for an alert under the AMBER Alert system, an Endangered Missing Person Advisory (EMPA) alert may be activiated. An EMPA is initiated by law enforcement agencies using the following criteria:

- a person is missing under unexplained, involuntary, or suspicious circumstances;
- the person is believed to be in danger because of age, health, or mental or physical disability, in combination with environmental or weather conditions, or is believed to be unable to return to safety without assistance;
- there is enough descriptive information that could assist in the safe recovery of the missing person; and
- the incident has been reported to and investigated by a law enforcement agency.

Once a report is received regarding an endangered missing person and all criteria are met, the investigating agency may begin to initiate an EMPA alert through its central-computerized enforcement system, notify the WSP's Missing Person Unit, and enter all information into the National Crime Information Center and the Washington Crime Information Center. After an EMPA is activated, all Washington law enforcement agencies are notified, as well as all portal partners (such as broadcasters, the media, and other subscribers). School districts, the Department of Social and Health Services, and the general public are also notified through a media release.

A missing endangered person is defined as a person with a developmental disability or a vulnerable adult, believed to be in danger because of age, health, or mental or physical disability, in combination with environmental or weather conditions, or is believed to be unable to return safely without assistance.

Summary: An EMPA must include a Silver Alert designation that will be used on variable message signs and text of highway advisory radio messages to assist in the recovery of a missing endangered person age 60 or older. The definition for a missing endangered person is expanded to include a person who has been diagnosed as having Alzheimer's or dementia.

Votes on Final Passage:

House	95	3

First Special Session

House	88	4
Senate	43	0

Effective: August 27, 2015

SHB 1043

C 13 L 15

Concerning self-service storage facilities.

By House Committee on Business & Financial Services (originally sponsored by Representatives Ryu and Parker).

House Committee on Business & Financial Services
Senate Committee on Commerce & Labor

Background: Self-storage facilities, in which a building or property owner rents space to a person for storage of goods, are governed by Washington law. Renters, known as "occupants," are obligated to pay rent for the space, usually monthly. When renting a space, the occupant must be given an opportunity to provide the address of another person to whom lien and sale notices may be sent.

Liens for Unpaid Rent. When rent or other charges are unpaid for 14 days, the storage facility owner has the right to terminate the rental or lease agreement and place a lien on the personal property stored in the unit. The owner must notify the renter in writing with a "preliminary lien notice," by first-class mail, of the amount due and that a lien may be placed on the stored property if the amount

due remains unpaid for another 14 days or more. The preliminary lien notice must be sent to both the occupant's primary mailing address and specified alternative address, if any.

If, after a date specified in the preliminary lien notice, the outstanding balance is not paid, the owner must notify the renter, by certified mail, that the stored property, other than personal papers and effects, will be sold or disposed of on a date at least 14 days later, but not less than 42 days after the date rent was first past due. This notice is called a "notice of final lien sale" or "final notice of disposition."

Boats and Motor Vehicles. In addition to other personal property, occupants may store motor vehicles and boats at a self-storage facility. If the occupant defaults on rent for storage of such vehicles, the storage facility owner may still take a lien, but the lien has a lower priority than any other lien specified on the vehicle's or boat's title.

Summary: "Verified mail" is defined as any method of mailing through the United States Postal Service that provides evidence of mailing.

A storage facility owner may send a preliminary lien notice to an occupant in default either by first-class mail to both the occupant's last known address and specified alternative address or by electronic mail (e-mail). A storage facility owner may also send a notice of final lien sale or final notice of disposition by personal service, verified mail, or e-mail to the occupant's last known mailing address and alternative address or e-mail address.

If the owner wishes to send either the preliminary lien notice or the notice of final lien sale or disposition by e-mail:

- the occupant must expressly agree to e-mail notifications;
- the rental agreement must state in bold type that notices will be sent by e-mail;
- the owner must provide the occupant with the e-mail address from which notices will be sent and direct the occupant to change his or her e-mail settings to allow e-mails from that address to avoid any filtration systems; and
- the owner must notify the occupant of any change of e-mail address before the change occurs.

If an e-mail notice of final lien sale or disposition does not receive a response or confirmation of receipt, then the owner must also send the notice by verified mail. The timing of the final lien sale is counted from the last date of sending.

No less than 60 days after default, any motor vehicles and boats belonging to the occupant may be towed from the self-storage facility in lieu of a lien sale. The final lien sale or final notice of disposition sent to the occupant must set this out and the owner must, prior to towing, provide the occupant the name and contact information of the towing company used. The owner is not liable for damage after towing.

If a rental agreement contains a condition on the use of the storage unit that sets forth a limit on the value of personal property stored in the occupant's space, that limit is the maximum value of the stored property for the limited purpose of the storage facility owner's liability.

Votes on Final Passage:

House	96	1
Senate	48	1

Effective: July 24, 2015

SHB 1045

C 60 L 15

Concerning the practice of East Asian medicine.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Tharinger, Harris, Van De Wege, Rodne, Moeller, Clibborn, Cody, G. Hunt, Jinkins, Gregerson, Santos and Riccelli).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: East Asian medicine practitioners are licensed by the Department of Health (DOH), and the Secretary of Health acts as their disciplining authority. East Asian medicine is a health care service that uses East Asian medicine diagnosis and treatment to promote health and treat organic or functional disorders. It includes: acupuncture; the use of electrical, mechanical, or magnetic devices to stimulate acupuncture points or meridians; moxibustion; acupressure; cupping; dermal friction technique; infra-red; sonopuncture; laserpuncture; point injection therapy (aquapuncture); dietary advice and health education based on East Asian medical theory; breathing, relaxation, and East Asian exercise techniques; qi gong; East Asian massage and Tui na; and superficial heat and cold therapies.

East Asian medicine practitioners are required to prepare and submit to the DOH a written plan for consultation, emergency transfer, and referral to other health care providers. The practitioner must submit the plan with the initial licensure application and then annually at the time the practitioner renews his or her license. Among other things, the plan requires the practitioner to attest that in an emergency, he or she will initiate the emergency medical system by dialing 911, request an ambulance, and provide patient support until emergency response arrives. The DOH may withhold a license if the plan does not meet the standards in DOH rules.

In addition to the written plan, an East Asian medicine practitioner who sees a patient with a potentially serious disorder must immediately request a consultation or recent diagnosis from a primary care provider. If the patient refuses, he or she must sign a waiver acknowledging the risks associated with the failure to pursue treatment from a primary care provider.

Summary: Advisory Committee. The East Asian Medicine Advisory Committee (Committee) is established. It consists of five members, all of whom must be Washington residents. Four members must be East Asian medicine practitioners who have at least five years' experience and who have been actively engaged in practice within two years of appointment. One member must be a member of the public with an interest in the rights of health services consumers. Members serve three-year terms and may not serve more than two consecutive full terms.

Committee members are appointed by and serve at the pleasure of the Secretary of Health. The Committee is charged with advising and making recommendations to the DOH on standards for the practice of East Asian medicine. It must meet at least once a year. Committee members are immune from civil or criminal liability for the DOH's disciplinary proceedings or other official acts performed in good faith. Committee members are entitled to reimbursement for travel expenses and may be compensated up to $50 per day for attending an official meeting or performing other statutorily prescribed duties.

Written Referral Plan. The requirement that an East Asian medicine practitioner develop a written plan for consultation, emergency transfer, and referral to other providers is eliminated. In an emergency, an East Asian medicine practitioner must initiate the emergency medical system by calling 911, request an ambulance, and provide patient support until emergency response arrives.

Votes on Final Passage:

House	96	0
Senate	49	0

Effective: July 24, 2015

HB 1047

C 61 L 15

Concerning state agencies continuity of operations planning requirements.

By Representatives Goodman, Haler, Moscoso, Appleton, Klippert, Muri, Hurst, S. Hunt, Hayes, Orwall, Johnson, MacEwen and Gregerson; by request of Military Department.

House Committee on Public Safety
House Committee on Appropriations
Senate Committee on Government Operations & Security
Senate Committee on Ways & Means

Background: The Washington Military Department, under the direction of the Adjutant General, administers the state's comprehensive program of emergency management. The Adjutant General is responsible for developing a comprehensive, all-hazard emergency plan for the state that includes an analysis of natural, technological, or human-caused hazards and procedures to coordinate local and state resources in responding to such hazards. In the event of a disaster beyond local control, the Governor, through the Adjutant General, may assume operational control over all or any part of emergency management functions in the state.

In 2013 Governor Inslee required each individual agency, board, commission, and council to develop a Continuity of Operations Plan (COOP) in order for state executive branch organizations to provide essential functions and services during an emergency or disaster. The COOP plan of each agency must not only ensure the agency's ability to deliver essential functions and services to the citizens of the state during any disaster or emergency, but agencies must coordinate actions to ensure that essential functions that overlap with other agencies continue without interruption.

Summary: The Adjutant General is responsible to the Governor for helping to develop and manage a program for interagency coordination and prioritization of continuity of operations planning by state agencies. Each state agency must develop a COOP that is updated and exercised annually in compliance with the program for interagency coordination of continuity of operation planning.

Continuity of operations planning is the internal effort of an organization to assure that the capability exists to continue essential functions and services in response to a comprehensive array of potential emergencies or disasters.

Votes on Final Passage:

House	81	16
Senate	48	1

Effective: July 24, 2015

SHB 1052

C 14 L 15

Requiring institutions of higher education to make an early registration process available to spouses and domestic partners of active members of the military.

By House Committee on Higher Education (originally sponsored by Representatives Hayes, Fey, Klippert, Orwall, Appleton, Muri, MacEwen, Gregerson, Haler, Bergquist, Moeller, Riccelli and Magendanz).

Background: Early Course Registration. At public institutions of higher education, student course registration order is usually based on the number of credits a student has been awarded by the attending institution, sometimes referred to as "class standing." Priority registration varies depending on each institution's policy, and some institutions do not offer priority registration.

Institutions that offer an early course registration period for any segment of the student population must also have a process in place to offer students who are eligible veterans or National Guard members early course registration. Eligible veterans and National Guard members who are:

- new students and have completed all of their admission processes must be offered an early course registration period; and
- continuing and returning former students who have met enrollment requirements must be offered early course registration among continuing students with the same level of class standing or credit as determined by the attending institution and the institutional policies.

In order to be eligible, a veteran or National Guard member must:

- be a Washington resident;
- have been an active or reserve member of the United States military or naval forces, or a National Guard member called to active duty, who served in active federal service in a war or conflict fought on foreign soil or in support of those serving on foreign soil or in international waters; and
- have received an honorable discharge.

Summary: The early course registration process available for eligible veterans and National Guard members must be offered to spouses receiving veteran education benefits. The provisions expire August 1, 2022.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 24, 2015

HB 1059

C 278 L 15

Concerning sexually violent predators.

By Representatives Fagan, Goodman, Hayes, Moscoso, Takko, Tarleton, Orwall, Nealey, Klippert, Pettigrew, Gregerson, Haler, Fitzgibbon, Stanford and Farrell; by request of Attorney General.

House Committee on Public Safety
House Committee on Appropriations
Senate Committee on Human Services, Mental Health & Housing

Background: Sexually Violent Predator Commitment Proceedings. A sexually violent predator (SVP) is a person who has been convicted of, found not guilty by reason of insanity of, or found to be incompetent to stand trial for a crime of sexual violence and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in predatory acts of sexual violence if not confined in a secure facility.

A prosecutor may file a petition to civilly commit a person as a SVP. After the filing of a petition, the court first must determine whether there is probable cause to believe the person is a SVP. If there is probable cause, a full trial is held to determine whether the person is a SVP.

At the trial, the burden is on the state to prove beyond a reasonable doubt that the person is a SVP. If the person requests a 12-person jury, the jury must be unanimous in their decision. If the person is found to be a SVP, he or she is committed to the custody of the Department of Social and Health Services (DSHS) for control, care, and treatment at the Special Commitment Center (SCC) on McNeil Island.

Annual Examinations. Every year, the DSHS conducts an examination of each committed person's mental condition and prepares a report as to whether the person continues to meet the definition of a SVP and whether conditional release to a less restrictive alternative (LRA) is in the person's best interest and conditions can be imposed to adequately protect the community. The committed person may retain, or have appointed, if indigent, an evaluator to conduct an examination.

Review Proceedings. If the DSHS determines after the annual examination that: (1) the person's condition has so changed that he or she no longer meets the definition of a SVP, or (2) conditional release to a LRA is in the person's best interest and conditions can be imposed to adequately protect the community, the DSHS must authorize the person to petition the court for a full trial to consider either unconditional discharge or conditional release to a LRA.

The committed person may also petition the court for release without the approval of the DSHS. The DSHS must send annual written notice of the right to petition the court, along with a waiver of rights. If the committed person does not waive the right, the court must set a show cause hearing to determine if probable cause exists to warrant a hearing on whether the person's condition has changed.

If, at the hearing, the committed person demonstrates probable cause to believe that his or her condition has so changed that he or she no longer meets the definition of a SVP or that release to a LRA would be in the person's best interest and conditions would adequately protect the community, the court must order a full trial, at which the burden is on the state. However, a trial may not be ordered unless there is current evidence from a licensed professional that: (1) the committed person has undergone a permanent physiological change, such as paralysis, stroke, or dementia, which renders him or her unable to commit a sexually violent act; or (2) treatment has brought about change in mental condition such that the person meets the standard for conditional release to a LRA or unconditional release.

Less Restrictive Alternative Release. Before releasing a person to a LRA, the court must make these additional findings:

- the person will be treated by a qualified treatment provider;
- the treatment provider has presented a specific course of treatment and has agreed to assume responsibility for such treatment and will report violations immedi-

ately to the court, the prosecutor, the supervising community corrections officer, and the Superintendent of the SCC;
- housing exists in Washington that is sufficiently secure to protect the community, and the person or agency providing housing to the conditionally released person has agreed in writing to accept the person, to provide the level of security required by the court, and to immediately report to the court, the prosecutor, the supervising community corrections officer, and the Superintendent of the SCC if the person leaves the housing without authorization;
- the person is willing to comply with the treatment provider and all requirements imposed by the treatment provider and by the court; and
- the person will be under the supervision of the Department of Corrections and is willing to comply with supervision.

Summary: Annual Examinations. The DSHS, at the request of the committed person, must allow a record of the annual review interview to be preserved by audio recording and must make the recording available to the committed person. The evaluator must indicate in the report whether the committed person participated in the interview and examination.

In a proceeding to determine whether a committed person will be released to a LRA or unconditionally discharged, any reports and testimony by an expert on behalf of the committed person is excluded if the committed person did not participate in the most recent interview and evaluation completed by the DSHS.

The annual review requirement is suspended while a committed person is awaiting trial for unconditional release. If the person is recommitted, the next annual review must be done within one year of the recommitment order.

Definition of Treatment. "Treatment" is defined as sex offender specific treatment offered at the SCC or a specific course of sex offender treatment by a sex offender treatment provider.

Less Restrictive Alternative Release. Prior to authorizing release of a sexually violent predator to a less restrictive alternative, the court is required to consider release to the person's county of commitment. A person's county of commitment is the county of the court that ordered the person's commitment. It is appropriate to release a person to the person's county of commitment unless the court determines that return to the county of commitment would be inappropriate considering the following factors:
- any court-issued protection orders;
- victim safety concerns;
- the availability of appropriate treatment or facilities that would adequately protect the community;
- negative influences on the person; or
- the location of family or other persons or organizations offering support.

When the DSHS or the court assists in developing a placement of a person, effort must be made to avoid disproportionate effect on a single county. If the person is not released to his or her county of commitment, the DSHS must provide written notice and an explanation to the law and justice council of the county of placement.

Votes on Final Passage:

House	93	5	
Senate	46	0	(Senate amended)
House	87	6	(House concurred)

Effective: July 1, 2015 (Sections 1 and 2)
July 24, 2015

ESHB 1060
C 15 L 15

Directing state investments of existing litter tax revenues under chapter 82.19 RCW in material waste management efforts without increasing the tax rate.

By House Committee on Environment (originally sponsored by Representatives Fitzgibbon, Short, Farrell, Pike, Gregerson, Jinkins and Fey).

House Committee on Environment
House Committee on General Government & Information Technology
Senate Committee on Energy, Environment & Telecomcations

Background: The Waste Reduction, Recycling, and Litter Control Act (Act) prohibits littering and establishes statewide programs to prevent and clean up litter, reduce waste, and increase recycling. These programs are funded by a 0.00015 percent litter tax on manufacturers', wholesalers', and retailers' gross proceeds on 13 categories of consumer products. The products subject to the litter tax include human food, pet food, groceries, cigarettes, tobacco products, wine, beer, malt beverages, soft drinks, carbonated water, household paper products, cleaning agents, toiletries, nondrug drugstore assorted products, and glass, metal, plastic, and synthetic fiber containers.

Allowed Uses of Litter Tax Revenues: Waste Reduction, Recycling, and Litter Control Act Programs. The programs funded by the litter tax under the Act include litter collection efforts by state agencies including the Department of Ecology (ECY) and state assistance of local government waste reduction and recycling programs. Also established by the Act is the ECY Youth Corps program, which employs teens to collect litter from highways, parks, and other public areas.

In most years, litter tax revenues have been directed into a Waste Reduction, Recycling, and Litter Control Account (Account), from which revenues are distributed to fund the Act's programs as follows:

- fifty percent is allocated to litter collection efforts by several state agencies, including the departments of Ecology, Transportation, Corrections, Revenue, and Natural Resources. This 50 percent allocation of the litter tax is also used to cover the ECY's costs of coordinating statewide litter control efforts, to conduct a statewide litter survey, and to conduct statewide public awareness programs;
- twenty percent is allocated to local city and county waste reduction, recycling, and litter control programs, which are administered by the ECY as the Community Litter Cleanup Program; and
- thirty percent is allocated to the ECY for waste reduction and recycling efforts.

2013 Amendments to Litter Tax Allowed Uses and Waste Reduction, Recycling, and Litter Control Act Programs. In 2013 legislation was enacted that distributes $5 million per fiscal year of litter tax revenue to the State Parks Renewal and Stewardship Account until July 1, 2017. This money is to be used to fund the operations and maintenance of state parks.

In addition, several changes to the allowable uses of litter tax revenues in the Account were made in the 2013-15 Operating Budget, which apply only during the 2013-2015 biennium. Under these 2013 amendments, during the 2013-2015 biennium litter tax funds used for Act programs must generally be prioritized for recycling and litter programs for the products subject to the litter tax. In addition, the following specific uses of litter tax funds in the Account are authorized during the 2013-2015 biennium:

- Out of the 50 percent of Account money allocated for litter collection efforts by state agencies, the ECY Youth Corps was specifically authorized to be funded.
- Out of the 20 percent of Account money allocated to the ECY to fund local government activities, the ECY was also authorized to create a matching fund competitive grant program to local governments and nonprofit organizations for litter reduction and recycling public assistance programs related to the items subject to the litter tax. Unspent funds from other Act programs were allowed to be spent on the matching fund competitive grant program.
- The 30 percent of Account money allocated to the ECY for waste reduction and recycling were allocated during the 2013-2015 biennium for the following activities:
  - to implement waste reduction and recycling efforts, including coordination with other state agencies, local governments, and voluntary efforts;
  - for technical assistance to local governments for commercial and residential recycling programs primarily for products subject to the litter tax; and
  - to increase access to recycling programs, particularly for food packaging, plastic bags, and appropriate techniques of discarding products.

Summary: Scope of the Act's Programs. The encouragement of composting is added as a purpose of the Act. State and local government programs authorized by the Act may include composting activities in addition to waste reduction, recycling, and litter control efforts. In addition, the 2013-2015 biennium requirement that Act programs prioritize the 13 categories of products subject to the litter tax is made permanent. The requirement that the ECY periodically conduct a statewide litter survey targeting litter composition, sources, demographics, and geographic trends is eliminated.

Allocation of Litter Tax Funds. The changes to the specific allowable uses of litter tax funds in the Account made in the 2013 budget are, with some further changes, made permanent. Under the 30 percent allocation of Account money to the ECY under the Act, three activities are authorized:

- implementing waste reduction, recycling, and composting efforts, including coordination with other state agencies, local governments, and voluntary efforts;
- providing technical assistance to local governments for recycling and composting public education programs; and
- increasing access to waste reduction, composting and recycling programs.

The 2013-2015 biennium's funding of the ECY Youth Corps among the state agency litter collection activities funded as part of the 50 percent allocation of Account money to the ECY is extended permanently.

The 2013-15 biennium's matching fund competitive grant program is also extended permanently. The competitive grant program is funded from any unspent funds in the 20 percent of Account money that is also allocated to the ECY for local government waste reduction, litter control, composting, and recycling efforts. Composting is added as a subject of the matching fund competitive grant program, and the following restrictions and structural elements are added to the grant program:

- Grants must be less than $60,000.
- Local governments must match 25 percent of eligible grant program expenses in cash or contributed services.
- A legislative appropriation is required in order for grant payments to be made.
- Grants must be managed under existing the ECY grant program guidelines.

Grants received by nonprofit organizations are not subject to the state business and occupation tax.

Votes on Final Passage:

House 96 1

Senate 47 0

Effective: July 24, 2015
June 30, 2017 (Sections 3 and 6)

HB 1061

C 25 L 15 E 3

Increasing the number of district court judges in Skagit county.

By Representatives Hayes, Lytton, Smith, Gregerson, Moeller and Buys; by request of Board For Judicial Administration.

House Committee on Judiciary
House Committee on General Government & Information Technology

Background: The number of district court judges in each county is set by statute. Any change in the number of full- and part-time judges in a county's district court is determined by the Legislature after receiving a recommendation from the Board for Judicial Administration (BJA). The BJA's recommendation is based on an objective workload analysis developed annually by the Administrative Office of the Courts. The objective workload analysis takes into account available judicial resources and the caseload activity of the court.

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 the expenses associated with the new position out of county funds and without reimbursement from the state.

Skagit County has two elected district court judges. The BJA recommends an increase in the number of district court judge positions in Skagit County.

Summary: The number of statutorily authorized district court judges in Skagit County is increased from two to three. This new position becomes effective only if the legislative authority of Skagit County approves the position and agrees that the county will pay the expenses of the additional position without reimbursement from the state.

Votes on Final Passage:

Third Special Session

House 94 4
Senate 45 0

Effective: October 9, 2015

SHB 1063

C 62 L 15

Concerning cosmetology, hair design, barbering, esthetics, and manicuring.

By House Committee on Business & Financial Services (originally sponsored by Representatives Kirby, Blake and Ryu).

House Committee on Business & Financial Services
Senate Committee on Commerce & Labor

Background: The Department of Licensing (Department) regulates cosmetology, barbering, manicuring, and esthetics. A person must be licensed to practice these professions. A barber license allows the cutting, trimming, arranging, dressing, curling, shampooing, shaving, and mustache and beard design of the face, neck, and scalp. A cosmetology license allows all these practices and, in addition, allows the following practices involving chemicals: permanent waving, chemical relaxing, straightening, bleaching, lightening, and coloring. The license also allows waxing and tweezing. Finally, the cosmetologist license also allows some of the practices permitted for manicurists and estheticians. To receive a license, a person must meet training requirements and pass an exam.

Washington does not have a license that allows only barbering and the use of chemicals. To use chemicals, a practitioner must obtain a cosmetology license.

To be eligible for a cosmetology license, an applicant must demonstrate that he or she has at least 1,600 training hours in a school or 2,000 hours of apprenticeship. For barbers, the requirement is 1,000 hours in school or 1,200 hours of apprenticeship.

A person with the equivalent license in another state may take the examination without meeting the applicable training or apprenticeship requirements. The Department prepares and administers the exams, establishes minimum safety and sanitation standards, adopts rules, and otherwise administers the licensing provisions. The Cosmetology, Barbering, Esthetics, and Manicuring Advisory Board (Board) advises the Department on matters relating to licensing of the relevant professions. The Board consists of representatives of each profession appointed by the Director of the Department.

Summary: A new license is created for hair design, which includes cutting, styling, extensions, straightening, and coloring of hair. In order to obtain a hair design license, the applicant must have 1,400 hours of training or 1,750 hours of apprenticeship. The Department is granted rule-making authority to establish minimum safety and sanitation standards for hair designers and hair designers are added to the Board that advises the state on matters of cosmetology, barbering, esthetics, and manicuring.

Online training of license applicants is permitted.

Instructors in curriculum programs for cosmetology, hair design, barbering, manicuring, esthetics, or master esthetics may forego 300 hours of training with evidence of prior experience in those fields or all 500 hours with evidence of 500 hours of experience as an instructor in another state.

Votes on Final Passage:

House 93 5
Senate 49 0

Effective: July 24, 2015

SHB 1068
C 247 L 15

Concerning sexual assault examination kits.

By House Committee on Public Safety (originally sponsored by Representatives Orwall, Kagi, Appleton, Gregerson, Reykdal, Carlyle, Stanford, Sawyer, Fitzgibbon, Jinkins, Cody, Hudgins, Senn, Clibborn, Moeller, Riccelli, Moscoso, Farrell and Fey).

House Committee on Public Safety
House Committee on Appropriations
Senate Committee on Law & Justice
Senate Committee on Ways & Means

Background: After a person has been the victim of a sexual assault, the person may undergo a forensic examination for the purpose of collecting any evidence that may have been left behind during the assault. Biological evidence such as saliva, blood, or semen may be collected. The doctor or nurse conducting the examination preserves the evidence using a sexual assault examination kit, commonly referred to as a rape kit. The sexual assault examination kit contains tools that may be used by the doctor or nurse, such as swabs, combs, blood collection devices, and documentation forms. When the examination is complete, the evidence is packaged and steps are taken to preserve the chain of custody.

In some cases, custody of the sexual assault examination kit may be transferred to a law enforcement agency. When a law enforcement agency receives a sexual assault examination kit, the agency may submit it to a crime lab for analysis, but is under no specific deadline for submission.

Summary: When a law enforcement agency receives a sexual assault examination kit, and consent has been given for the rape kit to be analyzed as part of a sexual assault investigation, the agency must submit a request for laboratory analysis to the Washington State Patrol Crime Laboratory within 30 days of receiving it. In addition, law enforcement must submit a request for laboratory analysis for all sexual assault examination kits collected from nonemancipated minors. The failure of a law enforcement agency to meet the 30-day deadline is not a basis to exclude the evidence from a court proceeding or to overturn a conviction or sentence, and it does not create a private right of action against the agency.

The Washington State Patrol Crime Laboratory must, subject to available funding, give priority to laboratory examination of sexual assault examination kits for:

- active investigations and cases with impending court dates;
- active investigations where public safety is an immediate concern;
- violent crimes investigations, including active sexual assault investigations;
- postconviction cases; and
- other criminal investigations and nonactive investigations, such as previously unsubmitted older sexual assault kits or recently collected sexual assault kits that the submitting agency has determined to be lower priority based on their initial investigation.

The Washington State Patrol is required to compile information relating to the requests for laboratory examination submitted by law enforcement and report the following information annually to the Legislature and the Governor: (1) the number of requests for laboratory examination made for sexual assault examination kits and the law enforcement agencies that submitted the requests; and (2) the progress made toward testing the sexual assault examination kits, including the status of requests for laboratory examination made by each law enforcement agency. The requirement to compile information and report to the Legislature and Governor expires on June 30, 2018.

A legislative task force is created to study best practice models for managing all aspects of sexual assault examinations and for reducing the number of untested sexual assault examination kits in Washington that were collected prior to July 24, 2015. The caucus leaders from the Senate must appoint one member from each of the two largest caucuses of the Senate. The caucus leaders from the House of Representatives must appoint one member from each of the two largest caucuses of the House of Representatives. The President of the Senate and the Speaker of the House must jointly appoint one member representing each of the following groups:

- the Washington State Patrol;
- the Washington Association of Sheriffs and Police Chiefs;
- the Washington Association of Prosecuting Attorneys;
- the Washington Defender Association or the Washington Association of Criminal Defense Lawyers;
- the Washington Association of Cities;
- the Washington Association of County Officials;
- the Washington Coalition of Sexual Assault Programs;
- the Office of Crime Victims Advocacy;
- the Washington State Hospital Association;
- the Washington Forensic Investigations Council;
- a public institution of higher education; and
- a private institution of higher education.

Two members representing survivors of sexual assault must also be appointed. The duties of the task force include, but are not limited to the following:

- researching and determining the number of untested sexual assault examination kits in Washington state;
- researching the locations where the untested sexual assault examination kits are stored;
- researching, reviewing, and making recommendations regarding legislative policy options for reducing

the number of untested sexual assault examination kits;
- researching the best practice models both in state and from other states for collaborative responses to victims of sexual assault from the point the sexual assault examination kit is collected to the conclusion of the investigation and providing recommendations regarding any existing gaps in Washington and resources that may be necessary to address those gaps; and
- researching, identifying, and making recommendations for securing nonstate funding for testing the sexual assault examination kits, and reporting on progress made toward securing such funding.

The task force must meet prior to October 1, 2015 and submit a preliminary report to the Legislature and the Governor prior to December 1, 2015. The task force must meet at least twice annually and provide an annual report on its findings and recommendations to the Legislature and the Governor. The task force expires on June 30, 2018.

Votes on Final Passage:

House	82	15	
Senate	46	0	(Senate amended)
House	83	14	(House concurred)

Effective: July 24, 2015

SHB 1069

C 221 L 15

Concerning preservation of DNA work product.

By House Committee on Public Safety (originally sponsored by Representatives Orwall, Appleton, Kagi, Gregerson, Reykdal, Carlyle, Stanford, Sawyer, Fitzgibbon, Jinkins, Hudgins, Goodman, Clibborn, Moeller, Moscoso, Farrell and Fey).

House Committee on Public Safety
Senate Committee on Law & Justice

Background: Chain of custody for evidence at a crime scene usually starts with the collection of evidence done by an investigator or technician. When collecting evidence from a crime scene for deoxyribonucleic acid (DNA) analysis, there are several main goals: to reconstruct the crime; to identify the perpetrator; to preserve the evidence for analysis; and to collect the evidence in a way that will make it admissible in court.

The Washington State Patrol (WSP) operates and maintains a DNA identification system to help with criminal investigations and to identify human remains or missing persons. The WSP also provides DNA analysis services to local law enforcement agencies, provides assistance to law enforcement officials and prosecutors in the preparation and utilization of DNA evidence for presentation in court, and provides expert testimony in court on DNA evidentiary issues. Most DNA testing is conducted by the Forensic Laboratory Services Bureau of the WSP.

DNA Preservation. In a felony case, upon a motion of the defense counsel or the court, a sentencing court may order that biological material or evidence samples secured in connection with a particular criminal case be preserved in accordance with any court rule adopted for the preservation of evidence. In those cases, the court must specify the samples to be maintained and the length of time the samples must be preserved.

Outside of a motion made in court requesting the preservation of DNA evidence the length of time that DNA biological material is maintained in felony cases varies. Some local law enforcement agencies maintain and preserve evidence relating to a criminal case indefinitely while other local agencies preserve evidence up to the statute of limitations for the crime.

Statute of Limitations. Statutes of limitations are legislative declarations of the period after the commission or discovery of an offense within which actions may be brought on certain claims, or during which certain crimes may be prosecuted. Once a statute of limitations has expired, prosecution is barred.

Statutes of limitations vary according to the crime. In general, simple misdemeanors must be prosecuted within one year, gross misdemeanors must be prosecuted within two years, and felony offenses must be prosecuted within three years of the commission of the crime. However, the limitation period may be varied by statute, and there is no limitation on the time within which a prosecution must commence for the crimes of Murder, Homicide by Abuse, Vehicular Homicide, or the following crimes if death results: Vehicular Assault, Hit and Run injury-accident, and Arson. If no period of limitation is statutorily declared for a particular felony offense, no prosecution may be commenced more than three years after its commission.

Determinate Plus Sentences. Some offenders convicted of certain sex offenses are sentenced to a "determinate plus" sentence. Such an offender will receive a minimum term and a maximum term as imposed by the judge. Once the person reaches the end of his or her minimum sentence, the Indeterminate Sentence Review Board determines if release and supervision are appropriate.

Summary: A government entity must preserve DNA work product collected in any felony case initially charged as a violent or sex offense. In such case, where a defendant has been:
- charged and convicted in connection with the case, the DNA work product must be maintained throughout the length of the defendant's sentence, including any period of community custody extending through final discharge;
- convicted and sentenced to a determinate plus sentence in connection with the case, the DNA work

product must be maintained for 99 years or until the death of the defendant, whichever is sooner; and
- found not guilty, where no conviction has been made in connection with the case, the DNA work product must be maintained for 99 years or throughout the period of the statute of limitations, whichever period is sooner.

In any case where the identity of the offender is not known and law enforcement has probable cause to believe the elements of a violent or sex offense has been committed, the DNA work product secured in connection with a the case, including any sexual assault examination kit, must be maintained for 99 years or throughout the period of the statute of limitations, whichever period is shorter.

Nothing precludes a trial court from ordering the destruction of DNA contributed by a defendant who was charged and subsequently acquitted or whose conviction was overturned in connection with a violent or sex offense.

In any case where the charges are dismissed with prejudice or the person is found not guilty, upon application from the person and upon meeting any criteria established in law or by rule, the WSP must expunge the person's collected DNA reference sample.

The failure of a law enforcement agency to preserve DNA work product does not constitute grounds in any criminal proceeding for challenging the admissibility of other DNA work product that was preserved in a case, and any evidence offered may not be excluded by a court on those grounds. The court may not set aside the conviction or sentence or order the reversal of a conviction on the grounds that the DNA work product is no longer available. If any DNA work product is destroyed with malicious intent, the court may impose sanctions. However, no private cause of action may be brought against a law enforcement agency or contractor of a law enforcement agency for destroying DNA work product.

DNA work product includes: (1) product generated during the process of scientific analysis of such material, except amplified DNA, material that had been subjected to DNA extraction, and DNA extracts from reference samples; or (2) any material catalogued on a microscope slide, swab, in a sample tube, cutting, DNA extract, or some other similar retention method used to isolate potential biological evidence that has been collected by law enforcement as part of its investigation and prepared for scientific analysis, whether or not it is submitted for scientific analysis and derived from the contents of a sexual assault examination kit, blood, semen, hair, saliva, skin tissue, fingerprints, bones, teeth, or any other identifiable human biological material or physical evidence. For purposes of DNA preservation requirements under this act, DNA work product does not include a reference sample collected unless it has been shown, through DNA comparison, to associate the source of the sample with the criminal case for which it was collected.

A governmental entity includes any general law enforcement agency or any person or organization officially acting on behalf of the state or any political subdivision of the state involved in the collection, examination, tracking, packaging, storing, or disposition of biological material collected in connection with a criminal investigation relating to a felony offense.

Votes on Final Passage:

House	77	20	
Senate	47	1	(Senate amended)
House	91	3	(House concurred)

Effective: July 24, 2015

HB 1077

C 63 L 15

Regulating credit for reinsurance.

By Representatives Kirby, Ryu, McBride and Stanford; by request of Insurance Commissioner.

House Committee on Business & Financial Services
Senate Committee on Financial Institutions & Insurance

Background: Credit for Reinsurance. Reinsurance is an insurance product purchased by an insurance company to pass some of the risk assumed by the insurance company to the reinsurer. The insurer that transfers the risk to the reinsurer is the "ceding" company. The reinsurer, or the "assuming" company, accepts the risk. The ceding insurance company's exposure to financial loss is thereby reduced. Credit for reinsurance is an accounting procedure that permits a ceding company to treat amounts due from reinsurers as assets or reductions from liability. This improves the reported financial condition of the ceding insurance company in its annual statement. Credit for reinsurance is allowed only when specified standards are met.

Types of Insurers. A "domestic insurance company" is one organized under Washington law. A "foreign insurance company" is one organized under the laws of another state. An "alien insurance company" is one organized under the laws of a nation other than the United States.

Summary: The circumstances under which credit for reinsurance is allowed are modified.

Managing Reinsurance Coverage. A ceding insurer must take steps to manage its reinsurance proportionate to its own risk, and it must take steps to diversify its reinsurance program.

Licensed in Washington as an Insurer or Reinsurer. Credit for reinsurance (credit) is allowed when the assuming insurer is licensed to transact insurance or reinsurance in Washington.

Accredited in Washington as a Reinsurer. Credit is allowed if the reinsurer: files with the Insurance Commissioner (Commissioner) evidence that it is accredited in Washington as a reinsurer and if there is evidence of its

submission to Washington's jurisdiction and to the state's authority to examine its books and records; is licensed to transact insurance or reinsurance in at least one state; files annually with the Commissioner a copy of its annual statement and a copy of its most recent audited financial statement; and demonstrates that it has adequate financial capacity to meet its reinsurance obligations and is otherwise qualified to assume reinsurance from domestic insurers.

Domiciled in Other States. Credit is allowed if the reinsurer is domiciled in a state that employs standards substantially similar to those applicable under Washington law and the reinsurer: maintains a surplus regarding policy holders of not less than $20 million and submits to the Commissioner's authority to examine its books and records.

Trust Fund in Qualified Financial Institution. An insurer may apply credit if the reinsurer maintains a trust fund for the payment of claims that is: in a "qualified United States financial institution." To meet this requirement the trust must be in a financial institution organized under the laws of the United States; must be regulated and supervised by federal or state authorities having regulatory authority over banks and trust companies; and been determined by either the Commissioner or the Securities Valuation Office of the National Association of Insurance Commissioners to meet the necessary standards of financial condition and standing.

The form of the trust must be approved by the commissioner of the state where the trust is domiciled or by a commissioner of another state who has accepted principal regulatory oversight of the trust, and it must meet certain conditions specified in the act.

Certified as a Reinsurer. Credit is allowed when the reinsurer has been certified by the Commissioner as a reinsurer. To be eligible for certification, the reinsurer must: be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, maintain minimum capital and surplus in an amount to be determined by the Commissioner pursuant to his or her rulemaking authority, agree to submit to Washington's jurisdiction and to meet applicable information filing requirements, and satisfy any other requirements deemed relevant by the Commissioner. An association including incorporated and individual unincorporated underwriters may be certified as a reinsurer if it meets certain additional statutory requirements.

The Commissioner must create and publish a list of qualified jurisdictions, under which a reinsurer would be eligible to be considered for certification. The Commissioner may suspend a reinsurer's certification if the jurisdiction where the insurer is domiciled ceases to be a qualified jurisdiction.

Revocation or Suspension. Under certain conditions, the Commissioner may suspend or revoke a reinsurer's accreditation or certification if it ceases to meet the necessary requirements. The Commissioner must give the reinsurer notice and an opportunity for a hearing.

Required Reinsurance. Credit may be allowed even when the reinsurer is not licensed or accredited in Washington, is domiciled in another state but does not meet the surplus requirements, does not meet the trust fund requirements, or is not certified as a reinsurer, if the reinsurance risk is located in a jurisdiction where reinsurance is required by law.

Submission of Jurisdiction. If the reinsurer is not licensed, accredited, or certified to transact insurance or reinsurance in Washington, credit for reinsurance may be permitted if there are provisions in the reinsurance agreements that provide that the reinsurer: must submit to the jurisdiction of any court of competent jurisdiction in the United States; will comply with all requirements to place itself within the jurisdiction of the court; and will abide by the final decision of the court or any appellate court. In addition, the reinsurer must designate the Commissioner as its attorney who may accept service of process.

Rulemaking. The Commissioner may adopt rules and regulations implementing the provisions of this act.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: July 24, 2015

ESHB 1078

C 64 L 15

Enhancing the protection of consumer financial information.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Hudgins, Morris, Robinson, Kirby, Gregerson, Stanford, Ryu, Magendanz and Pollet; by request of Attorney General).

House Committee on Technology & Economic Development
Senate Committee on Law & Justice
Senate Committee on Ways & Means

Background: State Security Breach Laws. In 2005 legislation was enacted creating parallel security breach laws. One set of laws applies to any person or business, and the other set of laws applies to all state and local agencies (agency).

These laws require any person, business, or agency that owns or licenses computerized data that includes personal information to notify possibly affected persons when security of the system is breached and unencrypted personal information is (or is reasonably believed to have been) acquired by an unauthorized person. A person, business, or agency is not required to disclose a technical

breach that does not seem reasonably likely to subject customers to a risk of criminal activity.

Definitions. "Breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person, business, or agency. Good faith acquisition of personal information by an employee or agent of the business or agency is not a breach of security when the personal information is not used or subject to further unauthorized disclosure.

"Personal information" is defined as an individual's first name or first initial and last name in combination with one or more of the following data elements, when either the name or the data elements are not encrypted:

- social security number;
- driver's license number or Washington identification card number; or
- 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 publicly available information that is lawfully made available to the general public from federal, state, or local government records.

Non-computerized or encrypted data are exempt.

Notification Requirements. The notice required when security is breached must be either written, electronic, or substitute notice. If it is electronic, the notice provided must be consistent with federal law regarding electronic records, including consent, record retention, and types of disclosures. Substitute notice is only allowed if the cost of providing direct notice exceeds $250,000, the number of persons to be notified exceeds 500,000, or there is insufficient contact information to reach the customer. Substitute notice consists of all of the following:

- electronic mail (e-mail) notice when the person or business has an e-mail address for the subject persons;
- conspicuous posting of the notice on the website of the person or business, if the person or business maintains one; and
- notification to major statewide media.

There are no specific requirements for the content of the notification.

Disclosure of a breach must be made in the most expedient time possible and without reasonable delay. Delayed disclosure is allowed if disclosure would impede a criminal investigation.

Enforcement. Any customer injured by a violation of the security breach laws may institute a civil action to recover damages.

Consumer Protection Act. The Consumer Protection Act (CPA) prohibits unfair methods of competition or unfair or deceptive practices in the conduct of any trade or commerce. The CPA may be enforced by private legal action or through a civil action by the Office of the Attorney General. Any person injured by a violation of the CPA may seek actual damages, costs, and attorneys' fees. The court may triple the amount of damages awarded up to $25,000.

Federal Health Insurance and Accountability Act. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) establishes nationwide standards for the use, disclosure, storage, and transfer of protected health information. Entities covered by HIPAA must have a patient's authorization to use or disclose health care information, unless there is a specified exception. An entity covered under HIPAA must comply with the Health Technology for Economic and Clinical Health Act (HITECH) notification requirements in cases of a data breach. Under HITECH, entities that access, maintain, retain, modify, record, store, destroy, or otherwise hold, use, or disclose unsecured protected health information must, in the case of a breach of such information that is discovered by the covered entity, notify each individual whose unsecured protected health information has been, or is reasonably believed by the covered entity to have been, accessed, acquired, or disclosed as a result of such breach.

Gramm-Leach Bliley Act. The Gramm-Leach Bliley Act of 1949 (GLBA) requires financial institutions to give their customers privacy notices that explain the financial institution's information collection and sharing practices. Financial institutions created the Interagency Guidelines, which establish information security standards in cases of a data breach, to comply with GLBA requirements. The Interagency Guidelines state that when a financial institution becomes aware of an incident of unauthorized access to sensitive customer information, the institution should conduct a reasonable investigation to promptly determine the likelihood that the information has been or will be misused. If the institution determines that misuse of its information about a customer has occurred or is reasonably possible, it should notify the affected customer as soon as possible. Customer notice may be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation and provides the institution with a written request for the delay.

Summary: Parallel changes are made to the laws governing notice of security breaches for persons, businesses, or agencies.

Definitions. Protected personal information is no longer limited to computerized and unencrypted data. The term "customer" is replaced with "consumer". "Secured" means encrypted in a manner that meets or exceeds the National Institute of Standards and Technology standard or otherwise modified so that the personal information is rendered unreadable, unusable, or undecipherable.

Notification Requirements. Notice is not required if the breach is not reasonably likely to subject consumers to a risk of harm.

If required, notice must:

- be written and in plain language;
- include the name and contact information of the reporting person, business, or agency;
- list the type of personal information breached; and
- include toll-free telephone numbers to major credit reporting agencies if the breach exposed personal information.

If a breach requires notification to more than 500 Washington residents, the following added notification requirements apply:

- submission of an electronic version of the notification to the Attorney General; and
- provision of the number of consumers affected (or estimate if unknown).

Notification of a breach of personal information to affected consumers must be provided no more than 45 days after the breach was discovered, unless an exception applies.

Enforcement. The Attorney General may bring an action in the name of the state, or as parens patriae on behalf of persons residing in the state for violations of this act by persons or businesses. Only the Office of the Attorney General may bring an action under the CPA. An individual maintains the ability to institute a civil right of action to recover damages.

Exemptions. Persons, businesses, and agencies covered under the HIPAA and in compliance with the HIPAA notification requirements are exempt from notification requirements. Financial institutions in compliance with notification requirements under the GLBA are also exempt from notification requirements. If more than 500 residents are affected by the breach, persons, businesses, and agencies that qualify for a HIPAA exemption and financial institutions that qualify for the GLBA exemption must report the breach to the Office of the Attorney General.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 24, 2015

SHB 1088

C 165 L 15

Modifying per diem compensation for flood control zone district supervisors.

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

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

Background: Special Purpose Districts. Special purpose districts (SPDs) are local governments separate from a city, town, or county government that are created to provide a limited number of public facilities or services. Members of a SPD governing body may be elected or appointed to office, or serve in *ex officio* capacities as the result of holding other offices.

Special purpose district supervisors or directors elected to office may receive compensation, not to exceed certain dollar threshold amounts, for each day or portion of a day spent in actual attendance at official meetings or in performance of their duties. Different SPD statutes, including, for example, those governing port, water, sewer, diking, drainage, irrigation, and flood control districts, require periodic adjustments for inflation to the dollar thresholds, generally by using the Consumer Price Index for Urban Wage Earners and Clerical Workers for Washington.

Flood Control Zone Districts. Flood control zone districts (zones) are a type of SPD created for the purpose of undertaking, operating, or maintaining flood control or storm water control projects, or groups of projects, that are of special benefit to specified areas of the county. Zones are governed by a board of supervisors. In general, the county commissioners in a county where a zone is created serve by virtue of their offices as the zone's board of supervisors. However, for zones containing more than 2,000 residents, an election of supervisors other than the county commissioners may be held.

In zones with elected supervisors, supervisors may receive up to $70 for attendance at official meetings and for each day or major part of a day performing necessary services in connection with their duties. The county commissioners fix the amount of compensation, if any, paid to initial supervisors during their initial terms of office, and thereafter, supervisors fix the amount of compensation. A supervisor may choose to waive any or all of their compensation by written waiver.

The maximum amount of supervisors' compensation that may be fixed by the county commissioners or supervisors is as follows: (1) per diem compensation for attendance of meetings and performance of official duties may not exceed $70 per day; and (2) total compensation in one calendar year may not exceed $6,720. Adjustments for inflation to these amounts are not required or authorized.

In addition to compensation, supervisors are entitled to reimbursement for reasonable expenses incurred in the performance of their duties as a supervisor, including reimbursements for food, lodging, and mileage on private vehicles.

Consumer Price Index. The Consumer Price Index (CPI) measures the change in prices of all goods and services purchased for consumption by urban households. It is used to illustrate the extent that prices have risen or the amount of inflation that has taken place. The CPI reflects spending patterns for each of two population groups: all urban consumers (CPI-U); and urban wage earners and clerical workers (CPI-W). The CPI is prepared and pub-

lished by the Bureau of Labor Statistics, United States Department of Labor.

Summary: The maximum dollar amounts for supervisors' compensation are increased. Compensation for supervisors, as fixed by the county commissioners or the supervisors, may not exceed $114 per day and $10,944 per calendar year. The per diem compensation rate for supervisors in office on January 1, 2015, is $114.

The Office of Financial Management is required to adjust for inflation the statutory dollar thresholds for supervisor compensation every five years, beginning July 1, 2018. Adjustments for inflation must be based upon the CPI-W for Washington, and must be calculated and transmitted for publication to the Office of the Code Reviser at least one month before the new threshold is to take effect.

Votes on Final Passage:

House	98	0	
Senate	47	1	(Senate amended)
House			(House refused to concur)
Senate	45	3	(Senate receded)

Effective: July 24, 2015

HB 1090

C 65 L 15

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

By Representatives Kirby, Jinkins and Rodne; by request of Attorney General.

House Committee on Judiciary
House Committee on General Government & Information Technology
Senate Committee on Law & Justice
Senate Committee on Ways & Means

Background: The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program (Program) was created in 2008 within the Department of Commerce and is set to expire on July 1, 2015. The Program consists of two regional financial fraud and identity theft crime task forces: the Central Puget Sound Task Force that includes King and Pierce counties and the Spokane County Task Force.

The task forces include representatives of local law enforcement agencies, county prosecutors, the Office of the Attorney General, financial institutions, and other law enforcement entities. The task forces employ law enforcement, investigation, and prosecutorial staff dedicated to investigating and prosecuting financial fraud and identity theft crimes, with a focus on complex regional and multijurisdictional cases.

The Program is funded through surcharges on filings with the Uniform Commercial Code (UCC) Program within the Department of Licensing. The UCC Program files financing statements and other documents evidencing liens against personal property. The surcharges are $8 for paper filings and $3 for electronic filings. Revenues from these surcharges are deposited into the Financial Fraud and Identity Theft Investigation and Prosecution Program Account, which may be used only to support the activities of the task forces and the expenses of the Department of Commerce in administering the Program.

Summary: The expiration date for the Program is extended to July 1, 2020. The Central Puget Sound Task Force is expanded to include Snohomish County.

Surcharges on UCC Program filings are increased from $8 to $10 for paper filings and from $3 to $10 for electronic filings.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 1, 2015

EHB 1091

C 129 L 15

Concerning the unauthorized interference of ticket sales over the internet.

By Representatives Van De Wege, Klippert, Carlyle, Fey, Goodman, Tarleton, Holy, Gregerson, Jinkins, Lytton, Stanford, Orwall, Kirby, Fitzgibbon, Sawyer, Ryu, Riccelli and Morris; by request of Attorney General.

House Committee on Technology & Economic Development
Senate Committee on Commerce & Labor

Background: Ticket Web Robots. Ticket bots or web robots are software programs used to interfere with or disrupt the operation of ticket sales over the Internet or to buy up a substantial portion of the available tickets for later private resale. Interference by ticket bots includes gaining unauthorized priority access to purchasing tickets and reducing access of the general public to online ticket sales at the intended, original price. Commonly affected ticket sales include those for concerts, sporting events, and other entertainment events.

Consumer Protection Act. The Washington Consumer Protection Act (CPA) declares that unfair and deceptive practices in trade or commerce are illegal. The CPA allows a person injured by an unfair or deceptive practice to bring a private cause of action for damages. The Office of the Attorney General may investigate and prosecute claims under the CPA on behalf of the state or individuals in the state.

Under the CPA, "person" includes natural persons, corporations, trusts, unincorporated associations, and partnerships.

Summary: A person may not:

- use software to interfere with or disrupt the operation of ticket sales over the Internet; or

- sell software that is advertised for profit with the express purpose of interfering with or disrupting the operation of ticket sales over the Internet.

A "ticket seller" is a person that makes admission tickets available at an initial presale or sale to the general public, either directly or indirectly.

The use or sale of software with the purpose to interfere with or disrupt the operation of Internet ticket sales is found to be an unfair or deceptive act in trade or commerce and an unfair method of competition for the purposes of applying the CPA.

The use or sale of applicable software is only a violation of the CPA if the user or seller knows or should know that the purpose of the software is to interfere with or disrupt ticket sales over the Internet.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House	94	1	(House concurred)

Effective: July 24, 2015

E2SHB 1095

C 19 L 15 E 3

Promoting thermal energy efficiency.

By House Committee on Appropriations (originally sponsored by Representatives Morris and Hudgins).

House Committee on Technology & Economic Development
House Committee on Appropriations
Senate Committee on Energy, Environment & Telecommunications
Senate Committee on Ways & Means

Background: Energy Conservation in Design of Public Facilities. Public agencies must analyze the cost of energy consumption for each major facility to be planned and constructed or renovated after September 8, 1975. A "major facility" is any publicly owned or leased building having 25,000 square feet or more of usable floor space. A life-cycle cost analysis must be prepared during the design phase for each newly constructed or renovated major facility. The life-cycle cost analysis includes an energy-consumption analysis of all energy systems of a major facility that must be prepared by a professional engineer or licensed architect. The public agency must approve the major facility's life-cycle cost analysis before commencement of actual construction or renovation.

Electric Utility Resource Planning. All investor-owned and consumer-owned electric utilities with more than 25,000 customers in Washington must develop an Integrated Resource Plan (IRP). All other utilities in the state must file either an IRP or a less detailed resource plan.

The minimum required components of an IRP include the following:

- an assessment of commercially available conservation and efficiency resources, which may include high efficiency cogeneration (combined heat and power);
- an assessment of commercially available, utility scale renewable and nonrenewable generating technologies; and
- a comparative evaluation of renewable and nonrenewable generating resources.

The Utilities and Transportation Commission. The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of privately-owned utilities and transportation companies in Washington. Companies providing the following goods or services are regulated by the UTC: electricity, natural gas, certain telecommunications services, water, solid waste collection, commercial ferry service, transportation of household goods, certain auto transportation services, and transportation of petroleum through pipelines. The UTC is required to ensure that rates charged are "fair, just and reasonable."

District Thermal Energy Systems. The UTC has limited regulatory authority over a district thermal energy system owned or operated by a thermal energy company. A "district thermal energy system" is any system that provides thermal energy for space heating, space cooling, or process uses from a central plant and distributes thermal energy to two or more buildings. A "thermal energy company" is any private person, company, association, partnership, joint venture, or corporation engaged in developing, producing, distributing, or selling to, or for the public, thermal energy services for any beneficial use other than electricity generation.

Air Operating Permits. The Department of Ecology and seven local air quality agencies administer Washington's air operating permit standards under the Washington Clean Air Act. An air operating permit specifies certain requirements for air pollution sources, including permissible emission levels.

Boiler Maximum Achievable Control Technology. Federal major source boiler maximum achievable control technology (boiler MACT) rules apply to boilers and process heaters in major sources. A "major source" is an industrial, commercial, or institutional facility that emits 10 tons per year (tpy) or more of any single hazardous air pollutant or 25 tpy or more of total hazardous air pollutants. The boiler MACT rules require affected boilers and process heaters to complete a one-time energy assessment that identifies energy savings opportunities.

Summary: Energy Conservation in Design of Public Facilities. The list of facilities for which analysis of the cost of energy consumption is required is expanded to include critical governmental facilities. A "critical governmental facility" is a publicly-owned building or district energy system that is expected to:

- be continuously occupied;
- maintain operations for at least 6,000 hours each year;
- have a peak electricity demand exceeding 500 kilowatts (kW); and
- serve a critical public health or public safety function during a natural disaster or other emergency situation that may result in a widespread power outage.

An energy-consumption analysis conducted as part of a life-cycle cost analysis for a major facility or critical governmental facility must include the identification and analysis of critical loads for each energy system and, for a critical government facility, a combined heat and power system feasibility assessment.

Electric Utility Resource Planning. By December 31, 2016, an electric utility that has over 25,000 customers in Washington and that conducts an assessment which identifies dispatchable opportunities for combined heat and power and must value combined heat and power as having both energy and capacity value for the purposes of setting the value of power under the federal Public Utility Regulatory Policies Act, establishing rates for power purchase agreements, and integrated resource planning.

Electric utilities with over 25,000 customers in Washington are encouraged to offer a minimum term of 15 years for new power purchase agreements for the electric output of combined heat and power systems beginning December 31, 2016.

The Utilities and Transportation Commission (UTC) may authorize recovery of the actual cost of fuel incurred by an electrical company under a power purchase agreement for the electric output of a combined heat and power system. The governing body of a consumer-owned utility that offers a 15-year minimum power purchase agreement for the electric output of combined heat and power may, every five years after signing the agreement, initiate a fuel cost adjustment process.

An electric utility that is required to develop an integrated resource plan (IRP) may include combined heat and power systems among the measures in a conservation supply curve in the utility's assessment for demand side resources.

The Department of Commerce must submit any reports it receives of existing and potential combined heat and power facilities in IRPs to the Washington State University Extension Energy Program (WSU Energy Program) for analysis. The WSU Energy Program may submit an annual report electronically to the appropriate legislative committees on the planned and completed combined heat and power facilities in Washington.

Thermal Energy Systems. The UTC has limited regulatory authority over any thermal energy system owned or operated by a thermal energy company or by a combined heat and power facility engaged in thermal energy services. The UTC retains the authority to issue or enforce any order affecting combined heat and power facilities owned or operated by an electrical company that are subsidized by a regulated service.

References to "district" thermal energy systems are removed. A "thermal energy system" is any system that provides thermal energy for space heating, space cooling, or process uses from a central plant or combined heat and power facility, and that distributes the thermal energy to two or more buildings.

Air Operating Permits. The Department of Ecology (DOE) must establish a general air operating permit or permit by rule for stationary natural gas engines used in a combined heat and power system. The general permit or permit must establish emission limits for air contaminants released by stationary natural gas engines and is to be adopted and implemented as the permitting mechanism for the new construction of a combined heat and power system.

Boiler Maximum Achievable Control Technology. An owner or operator of an industrial, commercial, or institutional boiler or process heater that is required to complete an energy assessment under federal major source boiler maximum achievable control technology (boiler MACT) rules must:

- by January 31, 2018, submit nonproprietary information reported in the energy assessment electronically to the DOE or to the air pollution control authority that issues the air operating permit for the source; and
- by January 31, 2018, submit a report electronically to the WSU Energy Program that identifies, if applicable, the economic, technical, and other barriers to implementing thermal energy efficiency opportunities identified in the energy assessment.

The reporting requirement does not apply if an owner or operator of a boiler or process heater is not required to complete an energy assessment under federal boiler MACT rules or if, prior to the reporting dates, the owner or operator is no longer required to complete the energy assessment.

An owner or operator of a boiler or process heater who has not completed an energy assessment under federal boiler MACT rules must request a free combined heat and power site qualification screening from the U.S. Department of Energy.

Votes on Final Passage:

House	98	0

Third Special Session

House	95	2
Senate	44	0

Effective: October 9, 2015

SHB 1105
C 3 L 15

Making 2015 supplemental operating appropriations.

By House Committee on Appropriations (originally sponsored by Representatives Hunter, Ormsby, Sullivan and Gregerson; by request of Governor Inslee).

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The state government operates on a fiscal biennium that begins on July 1 of each odd-numbered year. A two-year biennial operating budget is adopted every odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget. Appropriations are made in the biennial and supplemental budgets for the operation of state government and its various agencies and institutions, including higher education, as well as allocations for the funding of K-12 public schools.

The 2013-15 Biennial Operating Budget was enacted in 2013 and a supplemental operating budget was adopted in 2014. The 2013-15 Biennial Operating Budget, after the 2014 supplemental, appropriates $33.8 billion from the State Near General Fund (State General Fund and the Education Legacy Trust Account) plus the Opportunity Pathways Account. The total budgeted amount, which includes state, federal, and other funds, is $67.6 billion.

Under the state Constitution, 1 percent of general state revenues is deposited into the Budget Stabilization Account (BSA) each fiscal year, as is extraordinary revenue growth. The Legislature may appropriate from the BSA by a constitutional (simple) majority of each chamber of the Legislature if: (1) forecasted state employment growth for a fiscal year is less than 1 percent; (2) the Governor declares an emergency resulting from a catastrophic event; or (3) the balance in the account exceeds 10 percent of general state revenues for the fiscal year, but only for the portion that exceeds 10 percent of general state revenues and only for educational construction. Other appropriations require a three-fifths affirmative vote by each chamber of the Legislature.

Summary: Supplemental changes are made to the 2013-15 Biennial Operating Budget relating to funding for fires and disasters, children and family services, mental health services, and the judgment against the state in *Rekhter v. Washington Department of Social and Health Services*.

State Near General Fund plus Opportunity Pathways appropriations for the 2013-15 biennium are increased by $66.2 million. In addition, $77.2 million is appropriated from the BSA for fires and other disasters, including mobilization, response, and recovery. The total budget is increased by $217.9 million.

The Economic and Revenue Forecast Council must produce a revenue forecast in February 2015 instead of March 2015.

Votes on Final Passage:

House	83	15	
Senate	46	0	(Senate amended)
House	89	8	(House concurred)

Effective: February 19, 2015

2EHB 1115
PARTIAL VETO
C 3 L 15 E 3

Concerning the capital budget.

By Representatives Dunshee, DeBolt, Gregerson, Morris and Reykdal; by request of Governor Inslee.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Washington operates on a biennial cycle for the operating, transportation, and capital budgets. The Legislature authorizes expenditures for capital projects in the omnibus capital appropriations act (capital budget). The biennial capital budget is passed in the odd-numbered years, and a supplemental budget making adjustments to the biennial budget is often passed during the even-numbered years. The current capital budget covers the period from July 1, 2013, through June 30, 2015.

Historically, approximately half of the capital budget is financed by state general obligation bonds and the balance is funded by dedicated accounts, trust revenue, and federal funding sources.

The capital budget includes appropriations for the acquisition, construction, and repair of capital assets such as state office buildings, prisons, juvenile rehabilitation centers, residential habilitation centers, mental health facilities, military readiness centers, and higher education facilities. The capital budget also funds a variety of environmental and natural resource projects, parks and recreational facilities, public K-12 school construction, and grant and loan programs that support housing, public infrastructure, community service facilities, and art and historical projects.

Summary: The act includes the 2015-17 Capital Budget and the 2015 Supplemental Capital Budget. It authorizes new capital projects for 2015-17 totaling $3.9 billion, of which $2.2 billion is financed from state general obligation bonds and $1.7 billion is financed from other funds. Included are authorizations for state agencies to enter into alternative financing contracts totaling $225 million. The act also reappropriates $2.9 billion for uncompleted projects approved in prior biennia.

In addition, the act makes adjustments to the 2013-15 Capital Budget, including appropriation increases of $68.6 million and appropriation decreases of $182.5 million, for a net decrease of $113.9 million. Reappropriations are also decreased by a net of $3.5 million.

Votes on Final Passage:

House	96	2	
Senate	39	10	(Senate amended)

Third Special Session

House	96	2	
Senate	44	1	

Effective: June 30, 2015

Partial Veto Summary: The Governor vetoed two sections of Second Engrossed House Bill 1115. Section 3241 appropriated $500,000 to the Department of Natural Resources to commission research and a report by the Washington State Institute for Public Policy on the transfer of federal lands to Washington state. Section 7044 required the Office of Financial Management to develop a master plan to address the storage and preservation requirements of the state's historical and cultural collections.

VETO MESSAGE ON 2EHB 1115

June 30, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 3241 and 7044, Second Engrossed House Bill No. 1115 entitled:

"AN ACT Relating to the capital budget."

Section 3241, pages 158-159, Department of Natural Resources, Research on Transfer for Federal Lands to Washington State

This proviso directs the Department of Natural Resources to study the feasibility of acquiring certain federal lands for possible inclusion in the various trust lands managed by the Department. Although additional information about land acquisitions is always helpful, the negative effects of forest health, and the resulting fire danger, are well documented. The Department's primary responsibility is to support the trust beneficiaries, and this study will not support its obligation to generate revenue for school construction. For these reasons, I have vetoed Section 3241.

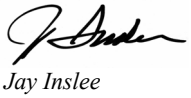
Section 7044, pages 278-279, Office of Financial Management, Master Plan for Museums and Research Facilities

This proviso requires the Office of Financial Management (OFM) to develop a master plan to address the storage and preservation requirements of the state's historical collections by December 31, 2015. While ensuring the preservation of our state's historical and cultural collections is a priority, this proviso does not provide funding or enough time for a thorough plan to be developed. For these reasons, I have vetoed Section 7044. However, I have directed OFM to work with the Washington State Historical Society and the Eastern Washington Historical Society to address this issue.

For these reasons I have vetoed Sections 3241 and 7044 of Second Engrossed House Bill No. 1115.

With the exception of Sections 3241 and 7044, Second Engrossed House Bill No. 1115 is approved.

Respectfully submitted,



Jay Inslee
Governor

HB 1124

C 180 L 15

Permitting the sampling of beer and wine at locations licensed to serve beer and wine for on-premises consumption.

By Representatives Takko, Morris, Springer and Fey.

House Committee on Commerce & Gaming
Senate Committee on Commerce & Labor

Background: No person may sell or distribute beer or wine without a license from the Liquor Control Board (Board), and licenses are divided into two categories: those for on-premises consumption and off-premises consumption. The Board issues many types of liquor licenses permitting the service of beer and wine for on-premises consumption, including beer and/or wine restaurants, taverns, night clubs, and breweries and microbreweries.

In general, no person, even a licensee, may serve any alcoholic beverage free of charge. There are several exceptions, including farmers markets, wineries, and grocery stores in which the licensee is specifically authorized to serve samples; however, but not all licensees have such an exception. Licensees permitted to serve samples are limited to serving samples no larger than 2 ounces, up to a total of 2 to 4 ounces per day, depending on the license. Some licenses do not have a limit.

Summary: Any licensee authorized to serve wine or beer on tap for on-premises consumption may serve samples of beer and wine free of charge. Samples must be 2 ounces or smaller, and licensees may provide a maximum of 4 ounces of samples per customer per day.

Licensed domestic wineries, grocery stores, beer and wine specialty shops, and qualifying farmers markets that are already permitted for sampling and tasting are exempt.

Votes on Final Passage:

House	93	5	
Senate	44	5	(Senate amended)
House	93	3	(House concurred)

Effective: July 24, 2015

ESHB 1126

C 199 L 15

Concerning department of early learning fatality reviews.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Kagi, MacEwen, Tarleton, Walsh, Goodman, Senn, Gregerson and Ryu).

House Committee on Early Learning & Human Services
House Committee on Appropriations
Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means

Background: The Department of Early Learning (DEL) licenses child care centers and family home providers in Washington. Licensing requirements are established in statute and in DEL rules. The stated purpose of licensing requirements is to promote the health and safety of children attending child care programs. Licensure components include requirements such as child development trainings, CPR and First Aid trainings, criminal background checks, and health and safety checks.

In 1996 the Legislature established the Office of the Family and Children's Ombuds (OFCO). The OFCO investigates complaints about agency actions or inactions, specifically complaints that involve a child at risk of abuse, neglect, or other harm or a child or parent involved with child protection or child welfare services. The OFCO collaborates with the Department of Health and Social Services (DSHS) and the Children's Administration (CA) to conduct child fatality or near fatality reviews when the cause of the fatality is suspected to involve child abuse or neglect of a minor in the care of the DSHS or a supervising agency. The child fatality reviews offer a systematic evaluation of the events and circumstances surrounding a child fatality or near fatality incident. After completion of a child fatality review, both the CA and the OFCO issue reports and recommendations to the Legislature. The child fatality review process is used to identify gaps in practice and make recommendations on improvements to promote the health and safety of children in the child welfare system.

Summary: Child Fatality Review. The DEL must convene a child fatality review committee to conduct a review when a child fatality, or in some cases near fatality, occurs in an early learning program or a licensed child care center or home. In the case of a near child fatality, the DEL must consult with the OFCO to determine if a review should be conducted. The child fatality review committee must be comprised of individuals with appropriate expertise, including but not limited to experts from outside the DEL with knowledge of early learning licensing requirements and program standards, a law enforcement officer with investigative experience, a representative from a county or state health department, and a child advocate with expertise in child fatalities. The DEL must invite one parent or guardian for membership on the committee who had a child die in a child care setting. The DEL must ensure that the committee is made up of individuals who had no previous involvement in the case. While conducting the review, the DEL and the fatality review committee must have access to all relevant records regarding the child that have been produced or retained by the early learning program provider, licensed child care center provider, or licensed family home provider. Nothing in the act creates a duty for the OFCO as related to children in the care of an early learning program, a licensed child care, or a licensed child care home.

Child Fatality Review Report. When a child fatality or near fatality review is conducted, the DEL must issue a report on the results of the review within 180 days, unless an extension is granted by the Governor. The report must be submitted to the appropriate committees of the Legislature and posted to a public website where all child fatality review reports must be posted and maintained. The DEL may redact confidential information from the public report. The child fatality review committee must develop recommendations to the DEL and the Legislature regarding changes in licensing requirements, practice, or policy to prevent fatalities and strengthen safety and health protections for children in child care.

Civil Proceedings. The child fatality or near fatality review is subject to discovery in a civil or administrative proceeding, but may not be admitted into evidence. Documents prepared by the child fatality review committee are inadmissible and may not be used in a civil or administrative proceeding. Individuals responsible for conducting the review, including members of the child fatality review committee and DEL employees, may not be examined in a civil or administrative proceeding regarding the following: (1) the work of the child fatality review committee; (2) the incident under review; or (3) employee's or member's statements, deliberations, thoughts, analyses, or impressions relating to the incident under review. A person is not unavailable as a witness merely because he or she was interviewed by the child fatality review committee, but as a witness the person may not be examined regarding interactions with the child fatality review. The civil and administrative proceeding restrictions outlined do not apply in licensing or disciplinary proceedings arising from allegations of wrongdoing in connection with a child fatality or near fatality review.

Votes on Final Passage:

House	86	11	
Senate	49	0	(Senate amended)
House	90	8	(House concurred)

Effective: July 24, 2015

SHB 1127

C 68 L 15

Creating the agricultural labor skills and safety program.

By House Committee on Labor (originally sponsored by Representatives Chandler and Sells).

Background: The Department of Labor and Industries (Agency) is responsible for regulating safety in the workplace. The Agency creates educational materials, such as safety videos, and makes those available on its website. Some materials, such as videos on tractor safety and heat exposure, focus on the agricultural industry.

Five years ago, money was appropriated to implement an agricultural worker safety grant to provide agricultural

workers training related to farm skills, English as a second language, and other skills. The grant was administered by the Agency with the Department of Agriculture. Funding for that grant program was not renewed.

Summary: Subject to appropriated funds, the Department of Commerce (Department) must create and administer the Agricultural Labor Skills and Safety Grant Program. The Department must select one grant recipient that has a community-based organization whose primary purpose is to provide services to Washington agricultural workers. The Department must ensure that participation in training is voluntary. Training is intended to improve the employability of workers living in Washington and to improve skills of those who work on a permanent, local seasonal, or seasonal migrant basis, and who intend to return to Washington to work in agriculture.

The grant recipient must work with agricultural employee and employer organizations to:

- design and implement the skills program and provide health and safety training;
- develop a plan to increase the number of skilled agricultural workers through outreach;
- evaluate trainings and service delivery strategies for agricultural workers and employers;
- partner with an agricultural employee and an agricultural employer organization that has focused on agricultural labor and employment issues and services for at least 10 years and has experience in providing training to agricultural employees; and
- use a training delivery system that is sensitive to the needs of agricultural employees and employers.

The grant recipient may receive up to $1 million per year. The provisions creating the grant program expire July 1, 2018.

Votes on Final Passage:

House	90	8
Senate	49	0

Effective: July 24, 2015

SHB 1132

C 66 L 15

Concerning the regulation of adult family homes.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Tharinger, Harris, Wylie, Van De Wege, Johnson, Lytton, Fey, Riccelli, Jinkins, Buys, Cody, Appleton, Ortiz-Self, Hayes, Gregerson and Short).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Adult family homes are community-based facilities licensed to care for up to six individuals who need long-term care. These homes provide room, board, laundry, necessary supervision, and assistance with activities of daily living, personal care, and nursing services.

Adult family homes are licensed by the Department of Social and Health Services (Department). Adult family homes must meet facility standards as well as requirements for training resident managers and caregivers. Staff of adult family homes who are employed as long-term care workers must meet specific training requirements and, in some instances, become certified as home care aides.

Fees for adult family homes are established in the operating budget. The annual renewal fee is currently $225 per bed and the processing fee for initial licensure is $2,750. The Department, by rule, also applies the processing fee to applications involving a change of ownership or change of location.

Summary: The change of ownership fee for adult family homes that is established in rule is codified in statute. The fee amount is to be determined in the operating budget.

The Department of Social and Health Services (Department) may allow a one-time waiver of all or part of licensing, processing, and change-of-ownership fees for an adult family home if payment of the fee would present a hardship to the applicant. The Department may also extend the timeframe for an applicant to complete administration and business planning class requirements. The extension may be for up to four months. The Department may issue the license prior to the completion of the class if the applicant has enrolled in or completed the class. The waiver and the extension apply in situations in which an adult family home is being relicensed because of exceptional circumstances, such as the death or incapacity of a provider.

Votes on Final Passage:

House	98	0
Senate	49	0

Effective: July 24, 2015

SHB 1138

C 67 L 15

Creating a task force on mental health and suicide prevention in higher education.

By House Committee on Higher Education (originally sponsored by Representatives Orwall, Haler, Blake, Carlyle, Kochmar, Reykdal, Appleton, S. Hunt, Pollet, Tarleton, Ortiz-Self, Gregerson, Bergquist, Ormsby, Senn, Riccelli, Ryu, Tharinger, Walkinshaw and Fey).

House Committee on Higher Education
Senate Committee on Higher Education
Senate Committee on Ways & Means

Background: Suicide Statistics. According to the Department of Health, suicide is the second leading cause of death for Washington youth between the ages of 10 and 24. Suicide rates among Washington youth are higher than the

national average. In 2012 and 2013, over 200 youth between the ages of 18 and 24 died by suicide. In those same years, over 1,000 youth ages 18 to 24 required hospitalization due to a self-inflicted nonfatal injury. For each youth between the ages of 10 and 24 who dies by suicide, the average cost is nearly $2,000,000 in future work loss and $5,000 in medical costs. The estimated cost for each nonfatal suicide attempt that results in hospitalization is about $11,000 in medical costs and $24,000 in work loss.

According to the National Center for Veterans Studies at the University of Utah, veterans face an elevated risk of suicide as compared to the general population; nearly half of college students who are United States military veterans have had thoughts of suicide. Nearly 8 percent of veteran college students reported a suicide attempt compared to a little over 1 percent of other college students.

According to the National College Health Assessment Survey, sponsored by the American College Health Association, almost 10 percent of college students reported that they had seriously considered attempting suicide and 1.5 percent of students reported that they had attempted suicide, within the last school year.

Forefront. Forefront at the University of Washington focuses on introducing changes to suicide prevention by:

- educating and empowering individuals and communities to advocate for and to implement suicide prevention strategies;
- training health professionals to develop and sharpen skills in the assessment, management, and treatment of suicide risk;
- supporting secondary schools and colleges implementing comprehensive plans to promote mental health services; and
- guiding news media in responsible reporting on mental health and suicide that accurately portrays the reality of hope and recovery.

Summary: A Task Force on Mental Health and Suicide Prevention at the Higher Education Institutions (Task Force) is created to determine what policies, resources, and technical assistance are needed to support the institutions in improving access to mental health services and improving suicide prevention responses. Certain agencies and experts must be members of the Task Force. Forefront at the University of Washington must staff the Task Force and convene the initial meeting.

The Task Force, in cooperation with the public and private institutions, must obtain data related to mental health services, suicide prevention and response, and deaths by suicide at the public and private institutions, including:

- protocols for responding to students in distress that cover intervention, treatment, reentry, and post-crisis intervention;
- data on on-campus use of student behavioral health services over the past five years; and
- information on the relationship between emotional distress and student withdrawal.

The Task Force must report its findings and recommendations to the Governor and Legislature by November 1, 2016, including a summary of:

- the data reviewed;
- the best practices and policies for providing mental health services and preventing suicide at the institutions;
- recommendations on resources and technical assistance required to increase awareness of behavioral health needs on campus; and
- recommendations to support the institutions in preventing suicide on campus.

The act expires July 1, 2017.

Votes on Final Passage:

House	91	6
Senate	49	0

Effective: July 24, 2015

SHB 1145

C 74 L 15

Allowing joint meetings of county legislative authorities under certain circumstances.

By House Committee on Local Government (originally sponsored by Representatives Haler and Fey).

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

Background: Counties - Regular and Special Meetings of Legislative Authorities. Washington counties provide regional services to all residents within their jurisdiction, including administering elections and furnishing judicial services, and a broader array of services to residents in unincorporated areas.

County legislative authorities must hold regular meetings at the county seat to transact any business required or permitted by law. Although the term "regular meeting" is not defined in statutory provisions governing counties, the Municipal Research and Services Center defines "regular meeting" as one that is held according to a schedule adopted by the applicable public governing body.

The location requirements for special meetings are less restrictive and authorize county legislative authorities to hold special meetings (meetings that are not held according to an adopted schedule) to transact the business of the county at any location within the county if the agenda item or items are of unique interest or concern to the citizens in the area of the county in which the special meeting is to be held.

Special meetings have specific notice and transaction requirements. The notices of special meetings must be: delivered at least 24 hours before the meeting to request-

ing newspapers and radio and television stations; posted on the agency's website; and prominently displayed at the main entrance of the entity's principal location and, if applicable, the meeting site. The notices must specify the time and place of the special meeting and the business to be transacted. Final disposition actions may not be taken on any matter that is not specified in the notice.

Neither regular nor special meeting provisions for counties include permissions, requirements, or other governing conditions related to joint meetings of county legislative authorities in a single location.

Attorney General Opinion. On November 14, 2014, the Attorney General of Washington issued an opinion stating that the legislative authority of one county may not meet within another county's borders, to discuss joint, bi-county projects. The opinion also stated that the Legislature could authorize these joint meetings, but that it has not yet done so.

Summary: Any two or more county legislative authorities may hold a joint regular or special meeting in a participating county if the agenda item or items relate to actions or considerations of mutual interest or concern to the participating legislative authorities. A joint regular meeting may only be held at the county seat of a participating county. A legislative authority participating in a joint regular meeting must, for purposes of the meeting, comply with notice requirements for special meetings. This special meeting notice requirement does not apply to the legislative authority of the county in which the joint regular meeting will be held.

If the joint legislative authority meeting is a special meeting, the meeting may be held at the county seat or other agreed upon location within the jurisdiction of a participating county.

In the event of a joint regular meeting, each participating county retains its authority to transact any business required or permitted by law. In the event of a joint special meeting, each county retains its authority to transact business of the county.

Votes on Final Passage:

House	98	0
Senate	49	0

Effective: July 24, 2015

SHB 1157
C 1 L 15 E 2

Modifying the apportionment of quick title service fees collected by appointed subagents.

By House Committee on Transportation (originally sponsored by Representatives Pike, Wylie, Wilson and Moeller).

House Committee on Transportation
Senate Committee on Transportation

Background: Vehicle and vessel title changes may be made at a county auditor's office, offices of other agents or subagents, or at the Department of Licensing (DOL). The applicant must complete a vehicle or vessel certificate of ownership application. Documentation and the required taxes and fees are collected at the location and sent to the DOL. Quick titles are defined as a certificate of ownership printed at the time of application and given to the applicant immediately.

The application for a quick title of a vehicle must be submitted by the owner or the owner's representative to the DOL, participating county auditor or other agent, or subagent appointed by the Director of the DOL, on a form furnished or approved by the DOL. The application must contain:

- a description of the vehicle, including make, model, vehicle identification number, type of body, and the odometer reading at the time of delivery of the vehicle, when required;
- the name and address of the person who is to be the registered owner of the vehicle and, if the vehicle is subject to a security interest, the name and address of the secured party; and
- other information as may be required by the DOL.

The application for a quick title must be accompanied by:

- all fees and taxes due for an application for a certificate of title, including a quick title service fee; and
- the most recent certificate of title or other satisfactory evidence of ownership.

The application for a quick title may not be used to obtain the first title issued to a vehicle previously designated as a salvage vehicle.

A $50 fee is charged for a quick title. If the fee is paid to a county auditor or other agent or subagent for a vehicle or vessel title, $25 is retained by the county treasurer in the same manner as other fees collected by the county auditor, and the remaining $25 is deposited into the Motor Vehicle Fund for a vehicle and the General Fund for a vessel. If the fee is paid directly to the DOL, the entire fee of $50 must be deposited into the Motor Vehicle Fund for a vehicle and into the General Fund for a vessel.

There are 23 county auditors and other agents and 63 subagents that currently provide quick title services.

Summary: The fee distribution is changed if the quick title is for a vehicle and is processed by a subagent from $25 being distributed to the county auditor to $12.50 being distributed to the county auditor and $12.50 being retained by the subagent that processed the transaction. The remaining $25 continues to be deposited into the Motor Vehicle Fund.

The fee distribution is changed if the quick title is for a vessel and is processed by a subagent from $25 being distributed to the county auditor to $12.50 being distributed to the county auditor and $12.50 being retained by the

subagent that processed the transaction. The remaining $25 continues to be deposited into the General Fund.

Votes on Final Passage:

House 97 0

Second Special Session

House 88 1
Senate 42 1

Effective: January 1, 2016

ESHB 1166
C 37 L 15 E 3

Concerning state general obligation bonds and related accounts.

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Gregerson and DeBolt; by request of Governor Inslee).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: The State Finance Committee (Committee), composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds. The Committee periodically issues general obligation bonds to finance projects authorized in the Capital Budget. No bonds may be authorized for sale without prior legislative appropriation of the net proceeds.

General obligation bonds pledge the full faith, credit, and taxing power of the state towards payment of debt service. Funding to pay for principal and interest on general obligation bonds is appropriated from the State General Fund in the Operating Budget. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments and deposits them into bond retirement funds.

A bond bill authorizes the Committee to issue general obligation bonds up to a specific amount to finance many of the projects in the Capital Budget. It specifies the amount of bonds to be issued, the account or accounts into which bond sale proceeds are to be deposited, and identifies sources and timing of debt service payments. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate.

Summary: The Committee is authorized to issue up to $2,332,456,000 in state general obligation bonds to finance projects in the 2015-17 Capital Budget and to pay expenses incurred in the issuance and sale of the bonds. Proceeds from the sale of the bonds must be deposited into the State Building Construction Account. The State Treasurer is required to withdraw from general state revenues the amounts necessary to make the principal and interest payments on the bonds and must deposit these amounts into the Debt Limit General Fund Bond Retirement Account.

Votes on Final Passage:

House 96 2

Third Special Session

House 96 2
Senate 43 1

Effective: July 10, 2015

HB 1168
C 75 L 15

Correcting restrictions on collecting a pension in the public employees' retirement system for retirees returning to work in an ineligible position or a position covered by a different state retirement system.

By Representatives Ormsby, Chandler, Sullivan and Tarleton; by request of Select Committee on Pension Policy.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The various plans of the Washington State Retirement System each contain rules prescribing the circumstances under which a retired employee may return to employment within a retirement- system-covered position and continue to receive retirement benefits.

The 2011 Legislature passed Engrossed Substitute House Bill (ESHB) 1981 (Chapter 47, Laws of 2011, 1st sp.s), which made numerous changes to the rules under which a retired employee may return to employment from the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) in particular provisions allowing PERS and TRS Plan 1 members to work for up to 1,500 hours per year for three years (or certain part-time equivalents) without suspension of retirement benefits were eliminated.

Prior to the passage of ESHB 1981, retirees from the Plans 2 or 3 of PERS, TRS, the School Employees' Retirement System (SERS), or the Public Safety Employees' Retirement System (PSERS) who have been separated from service for one calendar month after their accrual date may work in a retirement-eligible position for up to 867 hours per calendar year without a reduction in pension benefits.

An eligible position for purposes of the state retirement systems is generally one in which retirement benefits can be earned by an employee, unless there is some individual restriction on benefits eligibility, such as already being retired, or the employee is stopped from membership due to prior service earned in another state-administered retirement plan.

Engrossed Substitute House Bill 1981 removed the 867-hour option for PERS Plans 2/3 members who return to work in other systems (e.g. TRS, SERS, etc.), meaning these retirees will experience an immediate suspension of benefits so long as they continue working. The PERS re-

tirees who return to work in PERS-covered positions may continue to work up to 867 hours per year without a suspension of benefits. Engrossed Substitute House Bill 1981 also applied the 867-hour limit to PERS retirees working in ineligible positions.

The Department of Retirement Systems (DRS) reports that it is not administering the changes made to the PERS Plans 2 and 3 benefits as they apply to members who return to work in other systems or return in ineligible positions.

Summary: The PERS retirees who return to work in positions covered by other DRS-administered retirement systems will continue to receive retirement benefits for the first 867 hours of employment per calendar year. The application of the 867-hour return-to-work rules to PERS retirees is applied only to retirees hired into retirement benefits-eligible positions.

Votes on Final Passage:

House	98	0
Senate	45	0

Effective: July 24, 2015

ESHB 1170

C 35 L 15

Granting port districts certain administrative powers.

By House Committee on Local Government (originally sponsored by Representatives Clibborn, Zeiger, Tarleton, Wilcox, Springer, Jinkins, Fey, Kilduff, Fitzgibbon, Gregerson and Tharinger).

House Committee on Local Government
Senate Committee on Trade & Economic Development

Background: Port Districts. Ports districts (districts) are special purpose districts established to acquire, construct, maintain, operate, develop, and regulate: harbor improvements; rail, motor vehicle, water, or air transfer and terminal facilities, or any combination of such transfer and terminal facilities; other commercial transportation, transfer, handling, storage and terminal facilities; and industrial improvements. Districts may have boundaries that are coextensive with the county in which they are located, or they may be less than countywide.

Port Commissions. Powers of a district are exercised through a port commission consisting of three or five commissioners. Only registered voters residing in a commissioner district may hold office as a commissioner of the commissioner district.

In general, districts are divided into the same number of commissioner districts as commissioner positions in the district, with each commissioner district encompassing approximately the same population of residents. As an alternative, if approved by district voters at the time of district formation or at a subsequent election, districts with five commissioners may have two at-large commissioner districts and three commissioner districts that are each comprised of approximately one-third of the total district population.

Each port commission must choose from among its members a president and a secretary, adopt by resolution rules governing the transaction of its business, and adopt an official seal. All proceedings of the port commission must be by motion or resolution.

Port District Funds. In general, a district may contract indebtedness, borrow money for district purposes, issue general obligation bonds, and issue revenue bonds.

Districts may also raise revenue by levy of an annual tax for general port purposes not to exceed 45 cents per $1,000 of assessed value against the assessed valuation of taxable property in the district. Levies for dredging, canal construction, land leveling or filling purposes, and for industrial development district purposes are also authorized.

The county treasurer acting as port treasurer must create a fund into which all money received from the collection of district taxes must be paid. The county treasurer must also maintain other special funds created by the port commission and place moneys in the special funds as directed by the port commission.

Contracts with Other Governmental Entities. Districts may enter into contracts with the United States, or any state, county, municipal corporation, or department of any state, county, or municipal corporation, to carry out any of the powers that each of the contracting parties may separately exercise.

Joint Exercise of Power. Two or more districts may, by mutual agreement, exercise jointly all powers granted to each individual district. In jointly exercising powers, the districts may jointly acquire lands, property, property rights, leases, or easements necessary for their purposes that are either wholly or partially in the districts. All acquisitions by two or more districts acting jointly of real property or real property rights located in any other district may only occur with the consent of the other district.

Interlocal Cooperation Act. The Interlocal Cooperation Act (ICA) allows public agencies to enter into agreements with one another for joint or cooperative action. Any power, privilege, or authority held by a public agency may be exercised jointly with one or more other public agencies having the same power, privilege, or authority. A "public agency" for purposes of interlocal agreements includes any agency, political subdivision, or unit of local government. The term specifically includes municipal corporations, special purpose districts, local service districts, state agencies, federal agencies, recognized Indian tribes, and other states' political subdivisions.

Summary: Power to Create a Port Public Development Authority. Districts located in a county with a population of more than 800,000 on July 24, 2015, may create a port public development authority (authority) to manage maritime activities of the district or districts. Authorities may be created by a single district or two districts acting jointly

in accordance with an agreement for joint or cooperative action under the ICA. The district or districts may transfer to the authority any funds, real or personal property, property interests, or services.

Powers of the Port Public Development Authority. Authorities may be created to: (1) administer and execute federal grants or programs; (2) receive and administer private funds, goods, or services for any lawful public purpose related to maritime activities of the district or districts; and (3) perform any lawful public purpose or public function related to maritime activities of the district or districts. Authorities are granted various powers, including to own and sell real and personal property, sue and be sued, and loan and borrow funds.

Authorities do not have the power of eminent domain, or the power to levy taxes or special assessments.

Organization and Management of the Port Public Development Authority. The affairs, operations, and funds of an authority must be governed by the district or districts that created the authority. Each district that has either singly or jointly created an authority must oversee and manage the affairs, operations, and funds of the authority through the district's own elected port commission. Specifically, districts that jointly create an authority must each manage the authority through the district's own elected commissioners. In addition, the district or districts creating an authority must provide for the organization and operation of the authority.

Authorities are subject to applicable laws including the Public Records Act, the Open Public Meetings Act, and the Code of Ethics for Municipal Officers.

Contracts with the Federal or State Government. For the management of maritime activities, districts and authorities may into agreements with the federal or state government to:

- receive and expend federal and private funds;
- issue bonds, notes, and other evidences of indebtedness that are guaranteed or secured by funds provided by the federal government; and
- agree to repay and reimburse guarantors of indebtedness.

Districts and authorities may also pledge security, create special funds relating to authorized federal or private funds, and contract with financial institutions to act as trustee or custodian of federal or private funds.

Transfers of Real Property to a Port Public Development Authority. A district that transfers real property to an authority must impose appropriate deed restrictions to ensure that the property continues to be used for the public purpose for which it is transferred. An authority must provide advance written notice of any proposed sale or encumbrance of real property transferred to it by a district. The sale or encumbrance of such real property may only occur after approval by the authority at a public meeting.

Insolvency or Dissolution of a Port Public Development Authority. If an authority is insolvent or dissolves, the superior court of a county in which the authority operates has jurisdiction to appoint and supervise trustees and receivers of the authority's property and assets. All liabilities incurred by the authority must be satisfied exclusively from its assets and property. Creditors do not have a right of action against the district or districts that created the authority.

Votes on Final Passage:

House	96	2
Senate	45	0

Effective: July 24, 2015

HB 1172

C 17 L 15

Creating the risk management and solvency assessment act.

By Representatives Stanford, Vick and Ryu; by request of Insurance Commissioner.

House Committee on Business & Financial Services
Senate Committee on Financial Institutions & Insurance

Background: In the wake of the financial crisis of 2008 insurance regulators developed more tools to assess the solvency of insurers and potential risks to which they may be exposed. These new assessment tools are contained in the model act which implements the Own Risk and Solvency Assessment (ORSA) and has been adopted by the National Association of Insurance Commissioners (NAIC). It has also been made part of the NAIC accreditation requirements for state insurance agencies.

Summary: Own Risk and Solvency Assessment. *Risk Management Framework*. An insurer must maintain a risk management framework to assist the insurer with identifying, assessing, monitoring, managing, and reporting on its material and relevant risks. The ORSA is a confidential internal assessment, and it was developed as a process for maintaining a risk management framework.

ORSA Summary Report. The ORSA Summary Report (Report) is a confidential high-level ORSA summary of an insurer or insurance group. An insurer must regularly conduct an ORSA consistent with a process comparable to the ORSA Guidance Manual (Manual), which was developed by the NAIC. The ORSA must be conducted annually but also at any time when there are significant changes to the risk profile of the insurer or the insurance group of which the insurer is a member.

Upon the request of the Insurance Commissioner (Commissioner), and no more than once per year, an insurer must submit to the Commissioner a Report or a combination of Reports that together contain the information described in the Manual.

The Report must include the signature of the insurer or the insurance group's chief risk officer or other executive having responsibility for the oversight of the insurer's enterprise risk management process. Such person must attest to the best of his or her belief and knowledge that the insurer applies the enterprise risk management process described in the Report and that a copy of the Report has been provided to the insurer's board of directors or appropriate governing committee.

Exemption from ORSA Requirements. An insurer may be exempt from the ORSA requirements if it meets certain criteria. Even if exempt, the Commissioner may still require an insurer to maintain a risk management framework, conduct an ORSA, and file a Report based upon unique circumstances. This may occur in circumstances where the insurer meets one or more of the criteria of an insurer deemed to be in hazardous financial condition, as set out in rule, or if the insurer otherwise exhibits the characteristics of a troubled insurer, as determined by the Commissioner.

Confidential Treatment of Documents and Information. The Report and other ORSA-related documents (Documents) in the possession or control of the Commissioner that are obtained by, created by, or disclosed to the Commissioner or any other person are recognized as proprietary and as containing trade secrets. They are confidential, privileged, and not subject to the Public Records Act. They are also not subject to subpoena or discovery and are not admissible in evidence in any private civil action. The Commissioner is authorized to use such Documents in the furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties. The Commissioner must obtain the prior written consent of the insurer before making such Documents public.

Persons who have received Documents are not permitted or required to testify in any private civil action concerning the Documents or any confidential materials, or information.

Sharing of ORSA-Related Documents. The Commissioner may share Documents with other state, federal, and international regulatory agencies, including members of any supervisory college, the NAIC, the International Association of Insurance Supervisors, the Bank for International Settlements, and with any third-party consultants designated by the Commissioner. The recipients must agree in writing to maintain the confidentiality and privileged status of the Documents and verify in writing the legal authority to maintain confidentiality.

The Commissioner must maintain Documents received from regulatory officials of foreign or other domestic jurisdictions as confidential or privileged under the laws of the jurisdiction that is the source of the Documents.

The Commissioner must enter into written agreements with the NAIC or a third-party consultant governing the sharing and use of information provided. The agreement must provide that the recipient agrees to maintain the confidentiality and privileged status of the Documents and verify the legal authority to maintain confidentiality. The NAIC or a third-party consultant is prohibited from storing the information shared.

Intervention in Judicial or Administrative Action. The Commissioner must require prompt notice to be given to an insurer whose confidential information is in the possession of the NAIC or a third-party consultant when such information is subject to a request or a subpoena for disclosure or production. The Commissioner must also require the NAIC to consent to intervention by an insurer in any judicial or administrative action in which the NAIC may be required to disclose confidential information about the insurer.

Sanctions. After notice and a hearing, the Commissioner must require any insurer who fails without cause to file the required Report to pay a fine of $500 for each day's delay. The maximum fine is $100,000. The Commissioner may reduce the fine if the insurer demonstrates that the fine would impose a financial hardship to the insurer.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: January 1, 2016
July 1, 2017 (Section 11)

HB 1179

C 76 L 15

Exempting cider makers from the wine commission assessment.

By Representatives Lytton, Buys, S. Hunt, Wilcox, Blake, Appleton, Morris, G. Hunt, Short, Walkinshaw, Tarleton, Fitzgibbon, Gregerson, Van Werven, Tharinger, Sells, Muri and MacEwen.

House Committee on Agriculture & Natural Resources
Senate Committee on Commerce & Labor

Background: The Liquor Control Board (Board) levies agricultural commodity assessments on wine producers and growers of Washington vinifera wine grapes in order to permanently fund the Washington Wine Commission (Commission), which is an agricultural commodity commission. On producers, the annual assessment is 2 cents per gallon on sales of packaged Washington wines. On growers, the annual assessment is $3 per ton of vinifera grapes. The assessment rates may be changed pursuant to a referendum conducted by the Commission that is approved by a majority vote of wine producers or wine growers, whichever group's assessment rate is affected by the referendum. The Board must disburse assessments quarterly to the Commission, which uses the money to market Washington wine and enhance the production of wine grapes and wine.

Cider is table wine that contains not less than .5 percent of alcohol by volume and not more than 7 percent of alcohol by volume. Cider is made from the normal alcoholic fermentation of the juice of sound, ripe apples or pears. Cider includes flavored, sparkling, or carbonated cider and cider made from condensed apple or pear must. Currently, the Board levies the annual commodity assessment on makers of cider just as it does on makers of wine.

Summary: After July 1, 2015, the commodity assessment that applies to vinifera wine grape growers and vinifera wine producers, which is imposed to fund the Washington Wine Commission, no longer applies to makers of cider.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 1, 2015

SHB 1183
C 166 L 15

Concerning radiology benefit managers.

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

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Radiology uses medical imaging technology to diagnose and treat disease. There are two primary categories of radiology: diagnostic radiology and interventional radiology. Diagnostic radiology uses medical imaging technology to diagnose a patient's symptoms, monitor responses to treatment, and to screen for illnesses. Interventional radiology uses medical imaging technology to guide procedures to treat conditions such as cancer, blockages in arteries and veins, liver problems, and kidney problems. Types of medical imaging technologies include computed tomography, magnetic resonance imaging, positron emission tomography, ultrasound, nuclear medicine, and x-rays.

Radiology benefit managers generally perform management activities related to benefits for imaging services on behalf of health carriers. These may include developing guidelines on the use of radiology services, conducting prior authorization activities, privileging certain providers to order radiology services, and profiling a provider's use of services to confirm that they meet certain benchmarks.

Summary: Each radiology benefit manager that is owned by a health carrier or acts as a subcontractor to a health carrier must register with the Department of Revenue's Business Licensing Program. To register, a radiology benefit manager must submit an application with identifying information and a registration fee of $200. Radiology benefit managers must renew their registrations annually.

"Radiology benefit managers" are persons who contract with, or are owned by, insurers or third-party payors to provide services to: (1) process claims for services and procedures performed by radiologists or advanced diagnostic imaging services providers; or (2) pay or authorize payments to radiology clinics, radiologists, or advanced diagnostic imaging services providers for services or procedures.

Votes on Final Passage:

House	88	10	
Senate	44	4	(Senate amended)
House	87	9	(House concurred)

Effective: July 24, 2015

SHB 1184
C 77 L 15

Increasing the health professions participating in online access to the University of Washington health sciences library.

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

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Marriage and Family Therapist Associates. A marriage and family therapist provides services to individuals, couples, and families for the purpose of treating mental and emotional disorders. A licensed associate must have a graduate degree in a mental health field, work under the supervision of an approved supervisor, and declare he or she is working toward full licensure as a marriage and family therapist.

Independent Clinical Social Worker Associates. An independent clinical social worker diagnoses and treats emotional and mental disorders based on knowledge of human development, the causation and treatment of psychopathology, psychotherapeutic treatment practices, and social work practices. A licensed associate must have a graduate degree in a mental health field, work under the supervision of an approved supervisor, and declare he or she is working toward full licensure.

Health Evidence Resource of Washington State. The Health Evidence Resource of Washington State (HEAL-WA) is an online health information portal that contains evidence-based information to support patient care decisions. Clinical resources include full-text journals, electronic textbooks, medical databases, practice guides, and diagnostic tools.

In 2007 the University of Washington Health Sciences Library created the HEAL-WA in response to legislative mandate. It was originally available to 14 health professions, and presently 22 health professions have access. Health professions that currently have access to the HEAL-WA are: physicians, physician assistants, osteopathic physicians, osteopathic physicians' assistants, naturopaths, podiatrists, chiropractors, psychologists,

registered nurses, licensed practical nurses, optometrists, mental health counselors, massage therapists, clinical social workers, midwives, licensed marriage and family therapists, occupational therapists, occupational therapy assistants, dietitians, nutritionists, speech-language pathologists, and East Asian medicine practitioners. Individuals who are not members of one of these professions do not have access to the HEAL-WA. As of November 2013, 151,140 licensed healthcare providers were eligible for the HEAL-WA and 20,632 licensed healthcare providers were registered with the HEAL-WA.

The Department of Health (DOH) must charge fees to professionals licensed by the DOH. These fees are based on the cost to the DOH for regulatory activities related to the profession. License fees may include up to an additional $25 for professions with access to the HEAL-WA.

Summary: Marriage and family therapist associates and independent clinical social worker associates are added to the list of health care professionals who can have online access to selected clinical resources at the University of Washington Health Sciences Library. The licensing fees for all marriage and family therapy associates and independent clinical social worker associates must include an additional amount up to $25 per year.

Votes on Final Passage:

House	96	0
Senate	45	2

Effective: August 1, 2015

SHB 1194

C 78 L 15

Addressing the death benefits of a surviving spouse of a member of the law enforcement officers' and firefighters' retirement system or the state patrol retirement system.

By House Committee on Labor (originally sponsored by Representatives Kirby, Holy, Van De Wege, Hayes, Stokesbary, Fitzgibbon and Bergquist; by request of LEOFF Plan 2 Retirement Board).

Background: The Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) provides retirement and disability benefits to law enforcement officers and firefighters. Similarly the Washington State Patrol Retirement System (WSPRS) provides retirement and disability benefits to commissioned officers of the Washington State Patrol.

Workers injured in the course of employment are entitled to various industrial insurance benefits. If death results from the injury, the surviving spouse receives a monthly benefit of 60 to 70 percent (depending on the number of children) of the wages of the deceased spouse. If the surviving spouse remarries, benefits are discontinued at the end of the month in which the remarriage occurs. Payments to the children continue. The remarried spouse may choose to receive a lump sum of 24 times the monthly rate, or to have the monthly payments suspended and then resume if the remarriage is terminated by death or dissolution. For surviving spouses of a member of the LEOFF and the WSPRS the lump sum option is 36 times the monthly rate. Only members of LEOFF Plan 2 are eligible for industrial insurance.

Summary: If a surviving spouse of a member of the LEOFF or the WSPRS who died as a result of the injury no longer receives industrial insurance benefits because of remarriage, the surviving spouse is entitled to an amount equal to the industrial insurance benefit he or she would have received but for the remarriage, payable from the LEOFF or WSPRS, as appropriate. Payments resume for surviving spouses who remarried prior to the effective date, and if the surviving spouse received a lump sum payment, monthly payments are actuarially reduced. The amounts paid to spouses for whom payments resume are also payable from the LEOFF or WSPRS, as appropriate.

Votes on Final Passage:

House	89	9
Senate	48	0

Effective: July 24, 2015

HB 1219

C 10 L 15 E 3

Authorizing expedited permitting and contracting for Washington state bridges deemed structurally deficient.

By Representatives Zeiger, Clibborn, Orcutt, Fey, Kochmar, Hargrove, Muri, Ortiz-Self, Pike, Hayes, Stambaugh, Magendanz, Buys, Moscoso, Haler, Condotta and Wilson.

House Committee on Transportation

Background: The State Environmental Policy Act. The State Environmental Policy Act (SEPA) establishes a review process for state agencies and local governments to identify possible environmental impacts that may result from non-exempted government actions. The actions include project actions involving decisions on specific projects, such as the issuance of a permit, and nonproject actions involving decisions on policies and plans, including the adoption of land use plans and regulations. The information collected through the SEPA review process may be used to change a proposal to mitigate likely impacts or to condition or deny a proposal when adverse environmental impacts are identified.

Provisions of the SEPA generally require a project applicant to complete an environmental checklist. An environmental checklist includes questions about the potential environmental impacts of the proposal. This checklist is then reviewed by the lead agency to determine whether the proposal is likely to have a significant adverse environmental impact. This environmental threshold determination is made by the lead agency and is documented in

either a determination of nonsignificance or a determination of significance.

A determination of significance requires the preparation of an environmental impact statement (EIS) by the lead agency. The EIS must include detailed information about the environmental impact of the project and any adverse environmental effects that cannot be avoided if the proposal is implemented. The EIS must also include alternatives, including mitigation, to the proposed action. Analysis of environmental considerations for an EIS may be required only for listed "elements" of the natural and built environment.

Specific categorical exemptions from the EIS and other requirements for actions meeting specified criteria are established in the SEPA.

Emergency Contracting. The Washington State Department of Transportation (WSDOT), in the event of an accident, earthquake, or other emergency that damages or threatens a state highway, may obtain at least three bids from prequalified contractors without publishing a call for bids and award a contract to the lowest responsible bidder. The WSDOT is required to notify any association or organization of contractors that has filed a request to receive notification of the emergency project.

Summary: The repair or replacement of a state bridge that is determined by the WSDOT to be structurally deficient under the definition described above is exempt from compliance with the SEPA, so long as the repair or replacement occurs within the existing right-of-way except as needed to meet current engineering standards or environmental permit requirements. The repair or replacement that occurs pursuant to this exemption may not result in additional lanes for automobiles.

The repair or replacement of a structurally deficient bridge is included in the circumstances when the WSDOT may use its existing emergency contracting procedures.

A structurally deficient bridge is defined as a state bridge that is classified in poor condition under the state bridge condition rating system and is reported to the national bridge inventory as having a deck, superstructure, or substructure rating of four or below.

Votes on Final Passage:

Third Special Session

House	98	0
Senate	45	0

Effective: July 6, 2015

HB 1222

C 16 L 15

Modifying certain firefighting apparatus length and weight limits.

By Representatives McBride, Griffey, Clibborn, Orcutt, Van De Wege, Fey, Takko, Young, Sawyer and Bergquist.

House Committee on Transportation
Senate Committee on Transportation

Background: "Firefighting apparatus" means a vehicle or combination of vehicles designed for fire suppression and rescue or for fire prevention activities. A firefighting apparatus must comply with all federal and state operating and safety criteria.

A firefighting apparatus under 24,000 pounds on a single axle or 43,000 pounds on a tandem axle may operate without a Department of Transportation (DOT) permit. If a firefighting apparatus exceeds those weight limits an annual permit may be issued if the apparatus was in operation prior to June 13, 2002. These larger apparatus are exempt from permit requirements, but the operators of the exempt firefighting apparatus must obtain an annual permit from the DOT.

The maximum weight of an apparatus is 50,000 pounds on a tandem axle and may not exceed 600 pounds per inch width of a tire. The weight limit must include the weight of: a full water tank, the equipment for operation, and the maximum number of personnel allowed on board the fire truck.

A firefighting apparatus must obtain an annual permit to operate if:

- the weight exceeds 600 pounds per inch width of a tire;
- there are 24,000 pounds or more on a single axle;
- there are 43,000 pounds or more on a tandem axle set;
- there are 67,000 pounds or more gross vehicle weight depending on axle spacing;
- the weight limit per inch width of a tire is over the manufacturer's tire load rating;
- there is a tridem axle set;
- the apparatus is wider than 8 feet and 6 inches;
- the apparatus is higher than 14 feet;
- the apparatus is longer than 50 feet over all;
- the apparatus has more than a 15-foot front overhang;
- the apparatus exceeds the length of the wheel base; or
- the apparatus weight is 50,000 pounds on the tandem axle set with a full water tank, equipment, and the normal number of personnel assigned to be on board, or it exceeds 600 pounds per inch width of a tire.

When applying for a permit, a current weight slip from a certified scale must be attached to the permit application form. Upon receiving an application for a permit, the DOT must transmit it to the local jurisdictions in which the firefighting apparatus will be operating, so that the local

jurisdictions can make a determination on the need for local travel and route restrictions within the operating area. The DOT must issue a permit within 20 days of receiving a permit application and must issue the permit on an annual basis for the apparatus to operate on the state highway system along with any restrictions or limitations. A firefighting apparatus without the proper overweight permits is prohibited from being operated on city, county, or state roadways until a permit has been obtained.

The Washington State Patrol (WSP) is authorized to conduct random spot checks of firefighting apparatus to ensure compliance with overweight permit regulations. If a firefighting apparatus is found to be not in compliance, the WSP must issue a violation notice to the fire department, prohibiting the operation of the firefighting apparatus upon the roadways.

It is a traffic infraction to operate a firefighting apparatus on the roadways after a violation notice has been issued. For a first offense, the penalty is $50; for a second offense, the penalty is less than $75; and for a third or subsequent offense, the penalty is no less than $100. No individual liability will be attached to an employee or volunteer of the penalized fire department.

Summary: The overall length of a fire apparatus length is increased from 50 feet to 65 feet before requiring a fire district or municipal department to obtain a permit to operate it, a weight limit is imposed on single drive axles of 31,000 pounds, and the weight limit per inch width of a tire is increased from 600 pounds to 670 pounds.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 24, 2015

SHB 1223

C 102 L 15

Allowing the use of lodging taxes for financing workforce housing.

By House Committee on Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Springer, Kochmar, Sullivan, Rodne, Pettigrew, Wilcox, Fitzgibbon, McBride, Tarleton, Stokesbary, Sells, Lytton, Bergquist, Ormsby, Pollet, Fey, Santos and Walkinshaw).

House Committee on Community Development, Housing & Tribal Affairs
House Committee on Finance
Senate Committee on Human Services, Mental Health & Housing

Background: Hotel-Motel Tax. The state imposes an excise tax on the sale of goods and services provided in the state, including the furnishing of lodging by a hotel, motel, rooming house, private campground, trailer park, and similar short-term accommodation. Cities and counties may impose an additional special local excise tax on lodging services, known as a local hotel-motel tax.

One type of local hotel-motel tax allows cities and counties to levy up to 2 percent of a lodging charge, which is credited against the state tax rate of 6.5 percent. Counties imposing this "state shared hotel-motel tax" also must provide a credit for a similar tax imposed by any city within the county. Counties and cities also may levy an additional special hotel-motel tax that may be added onto the state tax rate.

Revenue generated from these local hotel-motel taxes generally are used for tourism promotion or the acquisition and operation of tourism-related facilities. A county may issue general obligation and revenue bonds that are payable from the special hotel-motel tax revenues.

There are certain local exceptions on the application and use of the 2 percent state shared hotel-motel tax in certain cities. Cities in King County, except the City of Bellevue, are prohibited from imposing this tax. Currently, all revenues from the state shared hotel-motel tax in King County must be used in the following manner:

- Through 2015 all revenue must be used first to pay off the Kingdome stadium bonds. Once the debt on those bonds is retired, the revenues are distributed into a special account dedicated to art, culture and heritage, museums, and arts programs.
- From 2016-2020 all tax revenues must be deposited into the account created to finance the football stadium and exhibition center. That debt is anticipated to be retired in 2020.
- Beginning in 2021:
  - at least 37.5 percent of the state shared hotel-motel tax revenues for King County must be distributed to a special art, culture and heritage, museums and arts programs account;
  - at least 37.5 percent of the state shared hotel-motel tax revenues must be distributed for affordable workforce housing within 0.5 miles of a transit station or for homeless youth services; and
  - the remainder must be used for capital and operating programs that promote tourism.

Workforce Housing and Homeless Services. For purposes of the state shared hotel-motel tax revenues, affordable workforce housing means housing for households whose income is between 30 and 80 percent of the median income in the county where the housing is located. According to the 2014 federal guidelines, the 30 to 80 percent range of the median income in King County is as follows: $18,550-$45,750 for a single person; and $26,450-$63,900 for a family of four.

The King County Housing and Community Development Program (Program) provides financing for housing projects through local housing authorities and nonprofit organizations. The Program also provides services for

homeless persons, including homeless youth and young adults.

Community Preservation and Development Authority. The Legislature may, by statute, authorize the creation of a Community Preservation and Development Authority (CPDA) that is proposed by residents, property owners, employers, and business owners of a community adversely impacted by the construction and operation of publicly funded facilities. The community proposal must identify a stable source of revenue that has a nexus with multiple publicly funded facilities that have adversely impacted the community and that can be used to fund operating and capital projects.

The board of directors for a CPDA must include business representatives, residents, nonprofit and social service providers, persons with knowledge of the community, and local legislative representatives who serve as ex-officio members. Board elections are held during annual local town hall meetings.

Among its powers, a CPDA has the authority to fundraise, employ, enter into real estate contracts, invest, and incur debt. The CPDA may accept public funding; however, it may not use funds to support a political candidate or party.

The CPDA must establish its geographic boundaries and develop a strategic plan to restore and promote the health, safety, economic welfare, and cultural and historic identity of the impacted community. The CPDA may establish funding mechanisms to support capital and operating projects, including private and public funding, that address the negative impacts of multiple publicly funded projects on the community. The CPDA also must report to the Legislature and at its annual town hall meeting on implementation of its strategic plan. State and local government agencies must consult with the CPDA regarding the siting and construction of future major public facilities.

The first and only CPDA was authorized in 2007 in the Seattle Pioneer Square and International District communities. The CPDA is currently called "Historic South Downtown."

Summary: Counties and cities may issue general obligation or revenue bonds for affordable workforce housing within 0.5 miles of a transit station that are paid with hotel-motel tax revenues.

Beginning in 2021, at least 37.5 percent of revenues from the state shared hotel-motel tax revenue for King County must be used:

- for contracts, loans, or grants to nonprofit organizations or housing authorities for affordable workforce housing within 0.5 miles of a transit station or for homeless youth services, or to repay general obligation or revenue bonds to finance those contracts loans, or grants; or
- to repay revenue bonds used to finance projects authorized by a CPDA that promote sustainable workplace opportunities near a community impacted by the construction or operation of tourism-related facilities.

The debt service on revenue bonds issued by a county or city for purposes of funding affordable workforce housing is limited to no more than 50 percent of the hotel-motel tax revenue on projects reasonably expected to spend funds within three years. Ten percent of the proceeds from all revenue bonds issued for affordable workforce housing must be used to finance projects authorized by a CPDA to promote sustainable workplace opportunities near a community impacted by the construction of tourism-related facilities.

Votes on Final Passage:

House	63	35
Senate	32	17

Effective: July 24, 2015

HB 1232

C 103 L 15

Concerning employer-purchased fishing guide licenses.

By Representatives Chandler, Blake and McCabe.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources & Parks

Background: A game fish guide license or a food fish guide license issued by the Washington Department of Fish and Wildlife is required in order to perform or offer to perform the services of a game fish guide or a food fish guide. An applicant must include the following information in an application for a game fish guide license or a food fish guide license:

- a driver's license or other government-issued identification;
- the applicant's unified business license number;
- proof of current certification in first aid and cardiopulmonary resuscitation;
- proof of commercial liability insurance of at least $300,000; and
- if applicable, an original or notarized copy of a valid license issued by the United States Coast Guard to the applicant that authorizes the applicant to carry passengers for hire.

The current fee for a game fish guide license is $250 for residents and $670 for non-residents. The current fee for a food fish guide license is $220 for residents and $800 for non-residents.

Summary: Upon termination of an employment relationship, if an employee possesses a food fish guide license or a game fish guide license, either of which the employer purchased on behalf of the employee, the employee must surrender the license to the employer or pay to the employer an amount equal to the amount of the license fee and application fee that the employer paid. If the employee fails

to surrender the license the license is invalidated. Additionally, a food fish guide license or a game fish guide license that is surrendered to an employer by an employee is transferable to a new employee who meets the license qualifications:

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 24, 2015

SHB 1240

C 206 L 15

Concerning restraint or isolation of students, including students with disabilities, in public schools.

By House Committee on Education (originally sponsored by Representatives Pollet, Santos, S. Hunt, Orwall, Senn, Lytton, Robinson, Walsh, Griffey, Goodman, Buys and Tarleton).

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

Background: Special Education. Each school district is required to provide an appropriate educational opportunity to children with disabilities, meaning those children who have been determined eligible for special education due to a disability. Two federal laws require school districts to provide individualized education and support services to these children. The Individuals with Disabilities Education Improvement Act (IDEA) requires that districts provide to each public school child who receives special education an Individualized Education Program (IEP). An IEP guides the delivery of special education supports and services designed to meet the child's unique needs. The Rehabilitation Act of 1973, Section 504 Plan requires that districts provide to each qualified student with a disability regular or special education services and related services designed to meet the student's individual educational needs.

Student Restraint or Isolation Laws. State law encourages parents and teachers to use methods of correction and restraint that are not dangerous to children. The physical discipline of a child is allowed when reasonable and moderate and inflicted by a parent, teacher, or guardian for purposes of restraining or correcting the child. The following actions are presumed unreasonable when used to correct or restrain a child:

- throwing, kicking, burning, or cutting a child;
- striking a child with a closed fist;
- shaking a child under age 3;
- interfering with a child's breathing;
- threatening a child with a deadly weapon; or
- doing any other act that is likely to cause and which does cause bodily harm greater than transient pain or minor temporary marks.

In 2013 legislation was enacted that placed certain requirements on the restraint or isolation (R or I) of students who have an IEP or Section 504 plan and who are participating in school-sponsored instruction or activities.

- When school staff releases a student from R or I, the school must conduct follow-up procedures, including:
  - reviewing the incident with the student and the student's parent or guardian to address the student's behavior; and
  - reviewing the incident with the staff member involved to discuss whether proper procedures were followed.
- School employees, resource officers, or school security officers who use chemical spray, mechanical restraint, or physical force on a student must inform the administrator and file a written report to the district office.
- The principal must make a reasonable effort to verbally inform the parent or guardian about the R or I within 24 hours and provide written notification postmarked within five days. Schools must provide this notification in a language other than English if the school customarily provides school-related information to parents in languages other than English.
- Schools that are required to develop an IEP must include within the plan procedures for notification of a parent or guardian about incidents of R or I. Parents or guardians of children who have an IEP or Section 504 plan must be provided a copy of the district policy on the use of R or I.

Conditions for the Use of Restraint or Isolation. The Office of the Superintended of Public Instruction (OSPI) is required to establish, in rule, eligibility criteria for special education programs for children with disabilities, including the use of aversive interventions.

By rule, the use of aversive interventions that involve "isolation," meaning excluding a student from his or her regular instructional area and isolating the student within a room or any other form of enclosure, are subject to the following conditions:

- The isolation, including the duration of its use, must be addressed in the student's aversive intervention plan.
- The enclosure must be ventilated, lighted, and temperature controlled from inside or outside for purposes of human occupancy.
- The enclosure must permit continuous visual monitoring of the student from outside the enclosure.
- An adult responsible for supervising the student must remain in visual or auditory range of the student.
- Either the student must be capable of releasing himself or herself from the enclosure or the student must

continuously remain within view of an adult responsible for supervising the student.

By rule, the use of aversive interventions that involve "physical restraint," meaning involving physically restraining or immobilizing a student by binding or otherwise attaching the student's limbs together or by binding or otherwise attaching any part of the student's body to an object, are subject to the following conditions:

- The restraint must only be used when and to the extent it is reasonably necessary to protect the student, other persons, or property from serious harm.
- The restraint, including the duration of its use, must be addressed in the student's aversive intervention plan.
- The restraint must not interfere with the student's breathing.
- An adult responsible for supervising the student must remain in visual or auditory range of the student.
- Either the student must be capable of releasing himself or herself from the restraint or the student must continuously remain within view of an adult responsible for supervising the student.

Summary: Requirements related to restraint of students with IEPs or Section 504 plans are made applicable to all students. An IEP or Section 504 plan may not include the use of R or I as a planned behavior intervention, unless a student's individual needs require more specific advanced educational planning and the student's parent or guardian agrees. All other plans may refer to the district policy on R or I. It is stated that these requirements are not intended to limit the provision of a free appropriate public education under Part B of the IDEA or Section 504 of the Rehabilitation Act.

The R or I of any student is permitted only when reasonably necessary to control spontaneous behavior that poses an imminent likelihood of serious harm, meaning:

- there is evidence of a substantial risk that the student will inflict physical harm upon his or her own person, upon another, or upon the property of others; or
- the student has threatened the physical safety of another and has a history of one or more violent acts.

When a student is placed in R or I, the student must be closely monitored to prevent harm to the student, and the R or I must be discontinued as soon as the likelihood of serious harm has dissipated. Each school district must adopt a policy providing for the least amount of R or I appropriate to protect the safety of students and staff under such circumstances.

Schools are required to follow-up after incidents of R or I:

- with the student and the parent or guardian, to review the appropriateness of the response; and
- with the staff member who administered the R or I, to review what training or support the staff member needs to help the student avoid similar incidents.

Schools are required to report incidents of isolation, in addition to incidents of restraint, and reports must include any recommendations for changing the nature or amount of resources available to the student and staff members in order to avoid further incidents. Beginning January 1, 2016, and by January 1 annually, each district must summarize the written reports received by the schools and submit the summaries to the OSPI. For each school, the district summary must include the number of individual incidents of R or I, the number of students involved in the incidents, the number of injuries to students and staff, and the types of R or I used. No later than 90 days after receipt, the OSPI must publish the data to its website. The OSPI may use the data to investigate the training, practices, and other efforts used by schools and districts to reduce the use of R or I.

Excluding a student from his or her regular instructional area is removed from the definition of "isolation." Isolation does not include the voluntary use by a student of a quiet space for self-calming, or the temporary removal of a student from his or her regular instructional area to an unlocked area for purposes of carrying out an appropriate positive behavior intervention plan. The definition of "restraint" is modified to include the use of devices to restrict a student's freedom of movement, but not the appropriate use of a prescribed medical, orthopedic, or therapeutic device when used as intended, such as to achieve proper body position, balance, or alignment or to permit a student to safely participate in activities. The definition of "restraint device" is modified to exclude a seat harness used to safely transport students, and the term must not be construed as encouraging the use of these devices.

For purposes of the OSPI rules on special education eligibility criteria, the term "aversive interventions" is changed to "positive behavior interventions."

Votes on Final Passage:

House	68	29	
Senate	43	3	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate amended)
House	71	27	(House concurred)

Effective: July 24, 2015

SHB 1252
C 18 L 15

Prescribing penalties for allowing or permitting unlicensed practice of massage therapy or reflexology.

By House Committee on Public Safety (originally sponsored by Representatives Wylie, Harris, Moeller, Jinkins, Vick and S. Hunt).

House Committee on Public Safety
House Committee on General Government & Information Technology
Senate Committee on Health Care

Background: Reflexology. Generally, reflexology is a health care service involving the application of pressure with fingers to the lower one-third of the extremities, feet, hands, and outer ears. It does not include the diagnosis of, or treatment for, specific diseases or joint manipulations.

Massage. Generally, massage and massage therapy are health care services involving the external manipulation or pressure of soft tissue for therapeutic purposes. Massage therapy includes techniques such as tapping, compressions, friction, reflexology, Swedish gymnastics or movements, gliding, kneading, shaking, and facial or connective tissue stretching, with or without the aids of superficial heat, cold, water, lubricants, or salts. Massage therapy does not include diagnosis or attempts to adjust or manipulate any articulations of the body, spine, or mobilization of these articulations by the use of a thrusting force, or genital manipulation.

Practice of Reflexology and Massage. A person practicing reflexology or massage or representing himself or herself as a reflexologist or massage practitioner is required either to be certified as a reflexologist or licensed as a massage practitioner by the Department of Health (DOH). In order to be certified, the person must be at least 18 years of age, have successfully completed a course of study, and have passed an examination administered or approved by the DOH.

An applicant may be certified without examination in limited situations. In addition, there are exemptions from the certification requirement provided for:

- individuals giving massage or reflexology to members of his or her immediate family;
- licensed massage practitioners and other credentialed providers performing services within their scope of practice;
- individuals practicing massage or reflexology at an athletic department of: (1) any institution that is maintained with public funds, including educational institutions; (2) a school or college approved by the DOH; or (3) a nonprofit organization holding a specified liquor license;
- students enrolled in an approved reflexology or massage school, program, or apprentice program providing uncompensated, supervised services incidental to the school or program; and
- individuals who have completed an approved somatic education training program.

Reflexologists and massage practitioners are subject to the Uniform Disciplinary Act for health professions, and the Secretary of the DOH is the disciplining authority.

Misdemeanor and Gross Misdemeanor Offenses. A misdemeanor offense is punishable by a sentence of up to 90 days in jail, or a maximum fine of $1,000, or both imprisonment and a fine. A gross misdemeanor offense is punishable by a sentence of up to 364 days in jail or a maximum fine of $5,000, or both imprisonment and a fine.

Summary: It is unlawful for an owner of a massage business or reflexology business, where massage therapy or reflexology takes place, to allow the unlicensed practice of massage therapy or reflexology. A violation is a misdemeanor offense when the owner knowingly or with criminal negligence allows or permits the unlicensed practice of massage therapy or reflexology to be committed within his or her place of business. Each subsequent violation is a gross misdemeanor offense.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 24, 2015

HB 1259
C 104 L 15

Allowing advanced registered nurse practitioners to sign and attest to certain documentation.

By Representatives Cody, Schmick, Clibborn, Harris, Jinkins, Robinson and Buys.

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Advanced Registered Nurse Practitioners. An advanced registered nurse practitioner (ARNP) is a registered nurse who practices independently and assumes primary responsibility for continuous and comprehensive management of a broad range of patient care, concerns, and problems. An applicant for licensure as an ARNP must hold a registered nurse license, have graduated from an accredited advanced nursing education program, and hold a certification from a program approved by the Nursing Care Quality Assurance Commission (Commission).

An ARNP may:

- examine patients and establish diagnoses;
- admit, manage, and discharge patients to and from health care facilities;
- order, collect, perform, and interpret diagnostic tests;

- manage health care by identifying, developing, implementing, and evaluating a plan of care and treatment for patients;
- prescribe therapies and medical equipment;
- refer patients to other health care practitioners, services, or facilities;
- perform procedures or provide care services that are within the scope of practice, as defined by a certification program approved by the Commission; and
- upon approval of the Commission, prescribe legend drugs and Schedule II through V controlled substances that are within the scope of practice.

Physician Assistant Signature Authority. Physician assistants are licensed to practice medicine to a limited extent under the supervision of a physician and only under a delegation agreement approved by the Medical Quality Assurance Commission. Similarly, osteopathic physician assistants are licensed to practice osteopathic medicine to a limited extent and only under a delegation agreement approved by the Board of Osteopathic Medicine and Surgery.

A physician assistant or osteopathic physician assistant may sign and attest to any certificates, cards, forms, or other required documentation that the supervising physician or osteopathic physician may sign, so long as it is within the physician assistant's or osteopathic physician assistant's scope of practice and is consistent with the terms of the delegation agreement.

Summary: An advanced registered nurse practitioner (ARNP) may sign and attest to any certificates, cards, forms, or other required documentation that a physician may sign, so long as it is within the ARNP's scope of practice.

Votes on Final Passage:

House	96	0
Senate	49	0

Effective: July 24, 2015

HB 1263

C 105 L 15

Exempting certified public accountants from private investigator regulations.

By Representatives Stokesbary, Kirby, Vick, Hurst and Buys.

House Committee on Business & Financial Services
Senate Committee on Commerce & Labor

Background: An accounting firm must be licensed to use the title Certified Public Accountant (CPA) or perform attest or compilation services. A firm with an office in the state may not practice public accounting without a license. The practice of public accounting includes consulting services and preparation of tax returns by a licensee. The Board of Accountancy governs the CPAs.

Private investigators are regulated under a separate chapter. The Department of Licensing issues licenses for private investigators and private security guards. A private investigator is a person employed by a private investigator agency for purposes of investigation, escort or bodyguard services, or property loss prevention activities.

Summary: Certified Public Accountants are exempt from regulation as private investigators.

Votes on Final Passage:

House	93	5
Senate	47	0

Effective: July 24, 2015

HB 1268

C 106 L 15

Regarding hemp as a component of commercial animal feed.

By Representatives Buys, Lytton, Shea, Wilcox, Young, Holy and McCaslin.

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture, Water & Rural Economic Development
Senate Committee on Ways & Means

Background: A commercial feed license is required of every person who manufactures, distributes, or is listed as a guarantor of a commercial animal feed. The license is issued by the Washington State Department of Agriculture (WSDA). Commercial animal feed must be packaged with a label stating the contents of the feed, the common names of ingredients, the net weight, and a guaranteed analysis of the contents.

Commercial animal feeds may not be sold if they include ingredients that are not recognized as acceptable ingredients or if they include ingredients that are seen as an alteration of the feeds. The WSDA is responsible for deciding which ingredients are acceptable. In doing so, they are required to consider federal regulations and the official definitions and terms adopted for commercial feed by the Association of American Feed Control Officials (AAFCO).

The AAFCO is a voluntary membership association of local, state, and federal agencies that regulate the sale and distribution of animal feeds. The AAFCO is not a regulatory agency in and of itself, but an organization composed of regulatory agencies from across the country. To be eligible for sale in Washington, most feed ingredients must meet definitions established by the AAFCO.

Hemp is currently not an allowable component of animal feed in Washington and is not defined as a feed ingredient by the AAFCO.

Summary: The WSDA is required to evaluate whether hemp and hemp products should be allowed as a component of animal feed. In that process, the WSDA may focus its efforts as appropriate and limit its scope to particular classes of animals where current research suggests that hemp has the most benefit on animal health, animal welfare, the resulting animal product, or the overall physical environment.

The WSDA must take the appropriate administrative actions to allow hemp as a component of commercial feed if it is determined in the evaluation that the addition of hemp is appropriate. If the WSDA finds that hemp is not an appropriate addition to the list of allowable feed ingredients, then a report must be issued to the Legislature explaining the WSDA's findings.

The WSDA must complete the evaluation by June 30, 2018. If that date cannot be satisfied, the WSDA must recommend legislation to request an extension of the date.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: July 24, 2015

2E2SHB 1272

C 7 L 15 E 2

Concerning the crime of disclosing intimate images.

By House Committee on General Government & Information Technology (originally sponsored by Representatives Buys, Orwall and Pollet).

House Committee on Public Safety
House Committee on General Government & Information Technology
Senate Committee on Law & Justice

Background: Revenge porn is the phrase commonly used to describe sexually explicit media that is publicly shared without the consent of the pictured individual. Revenge porn may be uploaded by ex-partners with an intention to shame or embarrass the individual in the image, or by hackers. Thirteen states have enacted laws which specifically target "revenge porn."

A class C felony is punishable by up to five years in prison and a $10,000 fine.

A gross misdemeanor is punishable by up to 364 days in jail and a $5000 fine.

Summary: A person commits the crime of Disclosing Intimate Images when the person knowingly discloses an intimate image of another person and the person disclosing the image:

- obtained it under circumstances in which a reasonable person would know or understand that the image was to remain private;
- knows or should have known that the depicted person has not consented to the disclosure; and
- know or reasonably should know that disclosure would cause harm to the depicted person.

A person who is under the age of 18 years old commits the crime of Disclosing Intimate Images when the person:

- intentionally and maliciously disclosed an intimate image of another person;
- obtained it under circumstances in which a reasonable person would know or understand that the image was to remain private; and
- knows or should have known that the depicted person has not consented to the disclosure.

The prohibitions do not apply to:

- images involving voluntary exposure in public or commercial settings;
- disclosures made in the public interest including, but not limited to, reporting of unlawful conduct, or the lawful and common practices of law enforcement, criminal reporting, legal proceedings, or medical treatment; or
- an interactive computer service or a public or private mobile service, in regards to content provided by another person.

"Disclosing" means transferring, publishing, disseminating, or making a digital depiction available for distribution or downloading through the facilities of a telecommunications network, or through other means of transferring computer programs or data to a computer.

"Intimate image" means any photograph, film, videotape, digital image, or other record of another person who is identifiable from the image itself or from information displayed with or otherwise connected to the image, and that was taken in a private setting, is not a matter of public concern, and depicts:

- sexual activity, including sexual intercourse and masturbation; or
- a person's intimate body parts, whether nude or visible through less than opaque clothing, including the genitals, pubic area, anus, or post-pubescent female nipple.

It is an affirmative defense to a charge of Disclosing Intimate Images if the defendant is a family member of a minor and did not intend harm or harassment in disclosing images of the minor to the defendant's family or friends.

Disclosing intimate images is a gross misdemeanor on the first offense and a class C felony on the second or subsequent offense.

Votes on Final Passage:

House	98	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate amended)

Second Special Session

House	90	0
Senate	44	0

Effective: September 26, 2015

SHB 1274

C 2 L 15 E 2

Implementing a value-based system for nursing home rates.

By House Committee on Appropriations (originally sponsored by Representatives Cody, Jinkins, Johnson, Harris and Tharinger).

House Committee on Appropriations

Background: The Washington State Medicaid (Medicaid) program includes long-term care assistance and services provided to low-income individuals. It is administered by the state in compliance with federal laws and regulations and is jointly financed by the federal and state government. The federal funds are matching funds, and are referred to as the Federal Financial Participation (FFP), or the Federal Medical Assistance Percentage (FMAP). The FMAP is calculated based on average per capita income and is usually between 50 and 51 percent for Washington. Typically, the state pays the remainder using the State General Fund. Clients may be served in their own homes, in community residential settings, and in skilled nursing facilities.

There are approximately 240 skilled nursing facilities licensed in Washington to serve about 10,000 Medicaid-eligible clients. Skilled nursing facilities are licensed by the Department of Social and Health Services (DSHS) and provide 24-hour supervised nursing care, personal care, therapies, nutrition management, organized activities, social services, laundry services, and room and board to three or more residents. The Medicaid nursing home payment system is administered by the DSHS. The Medicaid rates in Washington are unique to each facility and are generally based on the facility's allowable costs, occupancy rate, and client acuity (sometimes called the case mix). The biennial appropriations act sets a statewide weighted average Medicaid payment rate, sometimes referred to as the budget dial. If the actual statewide nursing facility payments exceed the budget dial, the DSHS is required to proportionally adjust downward all nursing facility payment rates to meet the budget dial.

The nursing home rate methodology, including formula variables, allowable costs, and accounting/auditing procedures, is specified in statute. The rates are based on calculations for six different components: direct care, therapy care, support services, operations, property, and a financing allowance. Rate calculations for the noncapital components (direct care, therapy care, support services, and operations) are based on actual facility cost reports and are typically updated biennially in a process known as rebasing. The capital components (property and financing allowance) are also based on actual facility cost reports, but are rebased annually. All rate components, with the exception of direct care, are subject to minimum occupancy adjustments. If a facility does not meet the minimum occupancy requirements, the rates are adjusted downward. Also, the nursing facility payment system periodically includes add-on rate adjustments.

Under federal law, states have the ability to use provider-specific revenue to fund a portion of their state share of Medicaid program costs. This is sometimes referred to as a Medicaid provider assessment or sometimes as a provider tax or provider fee. States may use the proceeds from the assessment to make Medicaid provider payments and claim the federal matching share of those payments. Essentially, states use the proceeds from the provider tax to offset a portion of the state funds that would have been required to fund the Medicaid program. Federal regulations define the rules for the Medicaid provider assessment.

Summary: The existing payment methodology for nursing facilities is repealed, effective June 30, 2016. A new payment methodology for nursing facilities is established, effective July 1, 2016. A minimum staffing standard for nursing facilities is established, effective July 1, 2016. The rebase of non-capital rate components is delayed from July 1, 2015, to July 1, 2016. The DSHS is directed to facilitate a workgroup that will recommend modifications to the new payment methodology in a report to the Legislature, due December 1, 2015. A separate nursing facility quality enhancement account is created in the custody of the State Treasurer. Funds received through the reconciliation and settlement process must be placed into the new account, effective July 1, 2015. Funds received from penalties when facilities are out of compliance with the minimum staffing standard must be placed into the new account, effective July 1, 2016. The Secretary of the DSHS may authorize expenditures from the new account for technical assistance for nursing facilities, specialized training for nursing facilities, or to increase quality enhancement payments.

Votes on Final Passage:

Second Special Session

House	95	2
Senate	44	0

Effective: July 1, 2015

2E2SHB 1276

PARTIAL VETO

C 3 L 15 E 2

Concerning impaired driving.

By House Committee on General Government & Information Technology (originally sponsored by Representatives Klippert, Goodman, Hayes, Orwall, Moscoso, Pettigrew, Zeiger, Kilduff and Fey).

House Committee on Public Safety
House Committee on General Government & Information Technology
Senate Committee on Law & Justice
Senate Committee on Ways & Means

Background: Ignition Interlocks. *Pretrial Conditions of Release.* As a condition of release from custody before arraignment or trial, a defendant charged with a Driving Under the Influence (DUI) offense, who has a prior DUI-related offense, must be ordered to have a functioning ignition interlock device (IID) installed on his or her vehicle with proof filed with the court within five business days of the date of release, or comply with the 24/7 Sobriety Program (Program), or both. A court must authorize the removal of the IID upon acquittal or dismissal of charges.

Liability. If, as part of the person's judgment and sentence, a person is required to install an IID on all motor vehicles operated by the person and the person is under the jurisdiction of the municipality or county probation or supervision department, the probation or supervision department must verify the installation of an IID. The county probation or supervision department satisfies the requirement to verify installation if it receives a written verification by an ignition interlock company stating that it has installed a device on a vehicle owned or operated by the person. The municipality or county has no further obligation to supervise the use of the device by the person and is not civilly liable for any injuries or damages caused by the person for failing to use a device or for driving under the influence.

Ignition Interlock License. Any person with a Washington driver's license who is convicted of a DUI offense or has his or her license suspended or revoked for a DUI, Physical Control (PC), or Vehicular Homicide while under the influence of alcohol or drugs offense, may apply for an ignition interlock driver's license (IIDL), which allows the licensee to lawfully operate a vehicle during the revocation.

Hearing and Appeal. Any licensee who obtains an IIDL is prohibited from thereafter asserting the statutory right to a judicial appeal from the administrative decision imposing the revocation. The Washington State Court of Appeals ruled (in *Nielsen v. Department of Licensing*) that the requirement that a driver waive his or her right to appeal a license suspension or revocation order from the Department of Licensing (DOL) in order to receive an IIDL is unconstitutional.

Standards. The Washington State Patrol (WSP), by rule, requires that IIDs meet certain specifications and also provides standards for the certification, installation, repair, and removal of IIDs. All IIDs must employ fuel cell technology and, when reasonably available in the area, IIDs must include technology capable of taking a photo identification of the person giving the breath sample.

Implied Consent. A driver is presumed to have given consent to a breath alcohol concentration (BAC) test if the driver is arrested for DUI. As such, any person who operates a vehicle in Washington is deemed to have given consent to a test of his or her breath for the purposes of determining the BAC, tetrahydrocannabinol (THC) concentration, or presence of any drug. However, due to technology, THC and other drugs cannot be measured or tested with a breath test.

Missouri v. McNeely. The Fourth Amendment of the United States Constitution prohibits unreasonable search and seizures. A blood draw is a search; however, a blood draw is only constitutional when it is consensual, pursuant to a search warrant, or in exigent circumstances. In *Missouri v. McNeely*, the United States Supreme Court found that taking a person's blood without warrant violates a person's Fourth Amendment right and the exigency exception to the warrant requirement generally does not apply in these cases (since metabolization of alcohol in the body does not by itself create an exigent circumstance). As a result, routine blood draws from a person suspected of DUI without consent or a warrant are unconstitutional, unless there is some special complicating factor to justify exigency.

Tampering With an IID. If a person is restricted to driving only vehicles equipped with an IID, it is a gross misdemeanor offense for that person to tamper with the device. It is also a gross misdemeanor offense for a person to knowingly assist another person who is restricted to the use of an IID equipped vehicle to circumvent the device.

Open Container Law. It is a violation of the open container law, to possess a bottle or other container containing an alcoholic beverage while in a vehicle upon a highway, if the container has been opened, the seal broken, or the contents partially removed. Such containers must be kept in the trunk of the vehicle or in some other area of the vehicle not normally occupied by the driver or passengers if the vehicle does not have a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers. The open container law does not address containers containing marijuana.

Conditions of Probation. Whenever a defendant receives a jail sentence for a DUI offense, the court must also impose as a mandatory condition of probation that the person: (1) not drive a vehicle in Washington without a valid driver's license and proof of liability insurance; (2) not drive or be in physical control of a motor vehicle while having an alcohol concentration of 0.08 or more or of a THC concentration of 5.00 nanograms, within two hours after driving; and (3) not to refuse to submit to a breath or

blood test to determine alcohol or drug concentration upon request of a law enforcement officer. A violation of probation can result in 30 days of incarceration and a 30-day suspension of a person's driver's license.

Prior Offense. A DUI or PC offense is punishable as a gross misdemeanor. It becomes a class C felony if a person has four or more prior offenses within 10 years. A "prior offense" is defined in statute and includes but is not limited to such crimes as operating a vehicle, aircraft, watercraft, or vessel while under the influence of alcohol or drugs.

Abstract of Driving Record. The DOL maintains a driving record on every person licensed to operate a motor vehicle in Washington. These records or driver abstracts, contain information relating to a person's driving record which include: accident information, driving status, and information about traffic citations.

The DOL charges a fee to obtain a driver's abstract and is restricted to the following persons and uses: the individual named in the abstract; employers or prospective employers relating to driving as a condition of employment; volunteer organizations where driving is required; transit authorities for volunteer vanpool drivers; insurance carriers for an individual covering the period of not more than the last three years; state colleges, universities, agencies or units of local government that are authorized to self-insure for employment and risk management purposes; the Office of Superintendent of Public Instruction for school bus drivers; and to city attorneys and county prosecuting attorneys for impaired driving related offenses.

Physical Control. The fact that a person charged with a PC violation is or has been entitled to use a drug does not constitute a defense to any charge of violating the law.

The 24/7 Sobriety Program. The pilot Program, established in 2014, is administered by the Washington Association of Sheriffs and Police Chiefs (WASPC). The Program is a 24-hour and seven-day a week sobriety program in which a participant submits to the testing of the participant's blood, breath, urine, or other bodily substances in order to determine the presence of alcohol, marijuana, or any controlled substance in the participant's body. Participants who violate the terms of the Program are subject to sanctions from a written warning up to serving his or her entire remaining sentence.

The 24/7 Sobriety Account (Account) in the State Treasury, which is administered by the Criminal Justice Training Commission, defrays the costs of operating the Program. The Account may receive funds from a variety of sources, including activation and users fees. Participants' payment of fees are collected contemporaneously or in advance to fund the Program and may not be waived or reduced.

Forensic Phlebotomists. Generally, forensic toxicology is known as the application of toxicology for the purpose of solving civil and criminal cases. Toxicology is the study of substances such as drugs, toxins, and poisons that are harmful to human beings.

A phlebotomist is a person trained to draw blood from a person for clinical or medical testing, transfusions, donations, or research. A toxicologist then has the responsibility of detecting and identifying the presence of drugs and poisons in fluids, tissues, and organs. This is done using chemical and biomedical instruments capable of detecting small amounts of alcohol, drugs, or toxic material, positively identifying them, and accurately measuring how much is present.

Forensic drug testing is commonly used for workplace drug testing, testing certain athletes for sports, and law enforcement investigations such as DUI cases.

The Department of Health (DOH) regulates health professionals in 83 health professions and 7,000 health organizations and programs. The DOH investigates and prosecutes complaints against health care providers and facilities. The Secretary of the DOH and various boards and commissions discipline health care providers that violate the law. The boards work with the DOH to develop processes for receiving, investigating, and determining appropriate discipline for violations. Action can only be taken against providers that are required to be licensed, certified, or registered with the DOH.

Summary: Ignition Interlocks. *Pretrial Conditions of Release.* Upon a person's subsequent DUI offense, as a condition of release from custody at arraignment, the court must require that person to: (1) have an IID installed on all vehicles operated by that person; (2) comply with Program monitoring; (3) have an IID installed and comply with the Program; or (4) have an IID installed on all motor vehicles operated by the person, agree (by signing a sworn statement) not to operate any vehicle without an IID as required by the court, and participate in Program monitoring or alcohol monitoring at the expense of the person.

The court must immediately notify the DOL when the IID restriction is imposed as a condition of release. The DOL must add a notation to the person's driving record noting the restriction. Once an IID restriction is lifted, the court must immediately notify the DOL regarding the lifting of the restriction and the DOL must immediately release any notation on the person's driving record relating to the IID restriction.

When an IID restriction imposed as a condition of release is cancelled, the court must provide the defendant with a written order confirming release of the restriction. The written order must serve as proof of release of the restriction until the DOL updates the driving record. It is a crime for a restricted driver to drive without an IID unless the notation on his or her driving record is a result from a restriction imposed as a condition of release and the restriction was released by the court prior to driving.

Liability. In a pre-trial case, as a condition of release, once a county probation or supervision department receives a written verification by an IID company stating that it has installed an IID device on a vehicle owned or operated by an offender, the municipality or county has no

further obligation to supervise the use of the IID by that person and is not civilly liable for any injuries or damages caused by the person for failing to use a device or for driving while intoxicated.

Ignition Interlock License. Any person with any valid driver's license who is convicted of a DUI offense or has his or her license suspended or revoked for a DUI-related offense, may apply for an IIDL. In addition, any person convicted of Vehicular Homicide or Vehicular Assault, where recklessness or the disregard for the safety of others is an element of the offense, may also apply for an IIDL when the charge was originally filed as a violation committed while under the influence of alcohol or drugs.

Hearing and Appeal. The prohibition against IID licensee appealing an administrative decision imposing a license revocation is eliminated.

Standards. All IIDs must have technology capable of providing the global positioning system (GPS) coordinates at the time of each test sequence. The coordinates must be displayed within the data log that is downloaded by the manufacturer and must be made available to the WSP to be used for circumvention and tampering investigations.

Implied Consent. References to the testing of a person's breath for purposes of determining the THC concentration or the presence of any drugs are removed from the implied consent statute.

Missouri v. McNeely. The statutory references to mandatory blood draws are removed as they relate to implied consent and denial or revocation of a person's driver's license.

For purposes of a DOL hearing due to a license revocation, the hearing must consider whether the arresting officer has reasonable grounds to believe the person has been driving or was in actual physical control of a motor vehicle while intoxicated and, if a test was administered, whether the arresting officer administered the breath or blood test pursuant to a search warrant, a valid waiver of the warrant requirement when exigent circumstances exist, or under any other authority of law.

Where a defendant is found in actual physical control of a vehicle while under the influence, the person may petition the DOL hearing officer to apply an affirmative defense. It is an affirmative defense that must be proven by a preponderance of the evidence that the defendant consumed a sufficient quantity of alcohol after the time of being in actual physical control of the vehicle and before the administration of an analysis of the person's breath or blood to cause the defendant's BAC to be over the legal limit.

Tampering With an IID. The elements for the crime of Tampering with or Circumventing an IID are expanded to include when a restricted driver: (1) uses or requests another person to use a filter or other device to circumvent the IID or to start or operate the vehicle to allow the restricted driver to operate the vehicle; or (2) has, allows, directs, authorizes, or requests another person to tamper with, modify, blow, or otherwise exhale into the device in order to circumvent the device to allow the restricted driver to operate the vehicle.

Open Container Law. It is a traffic infraction for a person to: (1) keep marijuana in a vehicle when the vehicle is upon a highway, unless it is in the trunk of the vehicle, in some other area of the vehicle not normally occupied or directly accessible by the driver or passengers if the vehicle does not have a trunk, or unless the marijuana is in a package, container, or receptacle that has not been opened, the seal broken, or contents partially removed; (2) consume marijuana in a vehicle when the vehicle is upon the public highway; or (3) place marijuana in a container specifically labeled by the manufacturer of the container as containing a non-marijuana substance. There is a rebuttable presumption that it is a traffic infraction if the original container of marijuana is incorrectly labeled and there is a subsequent violation to having marijuana in the vehicle.

Conditions of Probation. The mandatory conditions of probation for a DUI offense are expanded to include the requirement that a defendant drive a motor vehicle with an installed functioning IID as required by the DOL.

Prior Offense. The definition of a "prior offense" in the impaired driving statute is clarified to include a conviction for operating an aircraft or watercraft vessel, in a careless or reckless manner, if the conviction was the result of a charge that was originally filed as a violation of the offense while under the influence of intoxicating liquor or drugs.

Abstract of Driving Record. The DOL may furnish an abstract of an individual's driving record to that individual's named attorney of record.

Physical Control. As part of a DOL hearing, an affirmative defense is established for a PC offense in an action being brought for a license revocation that the person moved the vehicle safely off the roadway prior to being pursued by a law enforcement officer.

The 24/7 Sobriety Program. Testing under the Program must take place at a location designated by the participating agency or, with concurrence of the WASPC, by an alternate method. Participation in the Program is limited to persons charged with or convicted of a DUI or PC offense or a crime specifically defined as a prior impaired driving offense in which the use of alcohol or drugs was a contributing factor in the commission of the crime. An offender that violates the term of the Program post-trial may be sanctioned to serve his or her remaining sentence imposed by the court. A court may remove an offender from the Program at any time for noncompliance.

The Account can be used for operational and administration expenses related to the Program. Cities and counties may subsidize or pay any applicable fees related to the

Program and may accept donations, gifts, and other assistance to help defray the costs of the Program.

Forensic Phlebotomists. The DOH must adopt rules specifying requirements for delegation, training, and supervision for medical assistant-phlebotomists who are also law enforcement employees or correctional employees and whose practice is limited to collecting venipuncture samples for forensic testing or pursuant to a search warrant.

At a minimum, the rules must provide: (1) standards for the minimum number of venipuncture collections necessary to maintain endorsement for collecting blood samples for forensic testing; and (2) standards for location, conditions, and supervision of venipuncture collections.

In addition, until July 1, 2020, the rules must: (1) require each medical assistant-phlebotomist to perform fifty venipuncture collections during the first year of his or her certification; (2) require annual ongoing training for maintaining certification as a medical assistant-phlebotomist; and (3) require that venipuncture blood samples collected for testing take place at a site that provides for antiseptic techniques and that all such sites are inspected annually by the DOH.

It is not professional misconduct for a physician, osteopathic physician, registered nurse, licensed practical nurse, advanced registered nurse practitioner, physician assistant, osteopathic physician assistant, advanced emergency medical technician or paramedic, health care assistant, medical assistant-certified, medical assistant-phlebotomist, or hospital or duly licensed clinical laboratory employing or utilizing services of such licensed or certified health care provider, to collect a blood sample without a person's consent when these professionals are directed by a law enforcement officer to do so for the purpose of a blood test under the provisions of a search warrant or exigent circumstances. The identified professionals are also not subject to civil or criminal liability for withdrawing blood; however, this does not relieve these professionals from professional discipline arising from the use of improper procedures or from failing to exercise the required standard of care.

Votes on Final Passage:

House	94	4	
Senate	39	9	(Senate amended)

Second Special Session

House	88	2	
Senate	38	6	

Effective: September 26, 2015

Partial Veto Summary: The Governor vetoed the following provisions requiring: (1) the DOH to adopt rules specifying requirements for delegation, training, and supervision for medical assistant-phlebotomists who are also law enforcement employees or correctional employees, and whose practice is limited to collecting venipuncture samples for forensic testing or pursuant to a search warrant; (2) at a minimum, that the rules must provide standards for the minimum number of venipuncture collections necessary to maintain endorsement for collecting blood samples for forensic testing as well as provide standards for location, conditions, and supervision of venipuncture collections; and (3) until July 1, 2020, that the rules include: (a) requiring each medical assistant-phlebotomist to perform 50 venipuncture collections during the first year of his or her certification; (b) requiring annual ongoing training for maintaining certification as a medical assistant-phlebotomist; and (c) requiring that venipuncture blood samples collected for testing take place at a site that provides for antiseptic techniques and that all such sites are inspected annually by the DOH.

VETO MESSAGE ON 2E2SHB 1276

June 30, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 25, Second Engrossed Second Substitute House Bill No. 1276 entitled:

"AN ACT Relating to impaired driving."

The Department of Health has a Medical Assistant-phlebotomist credential that is currently available to law enforcement and corrections personnel. Creating a new sub-category is therefore unnecessary. MA-phlebotomist training programs specific to law enforcement forensic needs can be developed without a change in current law or rules and MA-phlebotomist training is typically on-the-job, and can be completed in a few days.

Section 25 also creates substantial new responsibilities and costs as it requires the Department to inspect every police station, jail, corrections facility, or other location where a law enforcement MA-phlebotomist may take blood samples. The section also sets new ongoing training and minimum procedure standards for law enforcement MA-phlebotomists that no other medical assistants have, and that must be regulated by the Department. For these reasons, I am vetoing this section.

For these reasons I have vetoed Section 25 of Second Engrossed Second Substitute House Bill No. 1276.

With the exception of Section 25, Second Engrossed Second Substitute House Bill No. 1276 is approved.

Respectfully submitted,

Jay Inslee
Governor

HB 1277

C 36 L 15

Concerning transient lodging for military service members in armories.

By Representatives Klippert, Appleton, MacEwen, Muri, Orwall, Goodman, Shea, Haler, Moscoso, Young, Scott, Zeiger and McCaslin.

House Committee on Community Development, Housing & Tribal Affairs

Senate Committee on Human Services, Mental Health & Housing

Background: The Military Department maintains and operates state armories. Armories generally are reserved for military purposes, however some limited non-military uses are permitted. For example, veterans organizations have access to state armories and may hold social and athletic events at an armory. Civilian rifle clubs affiliated with the National Rifle Association of America also may use small arms rifle ranges in an armory.

The Adjutant General may make armories available for public and private rentals and may permit transient lodging upon recommendation by the head of a local jurisdiction. The Adjutant General also may permit transient lodging for service personnel in armories, but only during an emergency.

Summary: The Adjutant General may allow transient lodging for military personnel in nonemergency situations.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: July 24, 2015

HB 1279

C 131 L 15

Modifying the definition of legislative authority for purposes of local tourism promotion areas.

By Representatives Kochmar and Gregory.

House Committee on Community Development, Housing & Tribal Affairs
House Committee on Finance
Senate Committee on Trade & Economic Development

Background: In 2003 legislative authorities of counties with populations between 40,000 and 1 million, and all incorporated cities and towns located in such counties, were authorized to establish tourism promotion areas and impose a charge on lodging to increase tourism and conventions within such areas. A fee may be assessed on lodging businesses of up to $2 per night of stay. Funding must be used for increasing tourism and convention business. Examples include advertising, publicizing, or otherwise distributing information to attract and welcome tourists, and operating tourism destination marketing organizations. to increase convention and tourism business.

In 2009 tourism promotion areas in a county with a population of 1 million or more were authorized. A "legislative authority" for such a county is two or more jurisdictions acting under an interlocal agreement to jointly establish and operate a tourism promotion area.

Summary: The requirement for jurisdictions within a county with a population of 1 million or more to act jointly for the purposes of establishing and operating a tourism promotion area is eliminated for cities incorporated after January 1990 with a population greater than 89,000. The "legislative authority" for these cities is the city's legislative authority.

Votes on Final Passage:

House	73	25
Senate	46	3

Effective: July 24, 2015

2SHB 1281

C 279 L 15

Concerning the sexual exploitation of minors.

By House Committee on Appropriations (originally sponsored by Representatives Sawyer, Orwall, Hurst, Blake, Stokesbary, Tarleton, Walsh, Kirby, Appleton, G. Hunt, Pettigrew, Jinkins, Carlyle, Fey, Ortiz-Self, Senn, Walkinshaw, Moeller, Kilduff, Robinson, Van De Wege, Stanford, Ryu, Lytton, Sells, Riccelli, Kagi, Bergquist, Clibborn, Santos, Buys and Gregerson).

House Committee on Public Safety
House Committee on Appropriations
Senate Committee on Law & Justice

Background: A person commits the crime of Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct when he or she knowingly possesses a visual or printed matter depicting a minor engaged in sexually explicit conduct.

Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct is either a class B felony, punishable by up to 10 years in prison and a $20,000 fine, or a class C felony punishable by up to five years in prison and a $10,000 fine, depending on the content of the images.

The Washington State Internet Crimes Against Children Task Force (Task Force) is comprised of local, state, and federal law enforcement agencies working to identify, arrest, and convict those individuals who victimize children by way of the Internet. Crimes investigated by the unit include: Communication with a Minor for Immoral Purposes, Sexual Exploitation of a Minor, Possession of Depictions of Minors Engaged in Sexually Explicit Conduct, and Dealing in Depictions of Minors Engaged in Sexually Explicit Conduct. The Seattle Police Department is the lead agency for the Task Force, which is one of 61 such task forces in the United States funded by the United States Department of Justice.

A children's advocacy center is a child-focused facility in good standing with the state chapter for children's advocacy centers and that coordinates a multidisciplinary process for the investigation, prosecution, and treatment of sexual and other types of child abuse. Children's advocacy centers provide a location for forensic interviews and coordinate access to services such as medical evaluations, advocacy, therapy, and case review by multidisciplinary teams within the context of county protocols.

Summary: A person convicted of Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct must be assessed a fine of $1,000, for each conviction. The fees assessed must be deposited into the Child Rescue Fund (Fund).

The Fund is created in the custody of the State Treasurer. Only the Attorney General or his or her designee may authorize expenditures from the Fund. Twenty-five percent of the receipts must be granted to child advocacy centers and 75 percent of the receipts must be granted to the Task Force.

Votes on Final Passage:

House	97	0	
Senate	44	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 24, 2015

HB 1282

C 149 L 15

Addressing the crime of driving while license suspended where the suspension is based on noncompliance with a child support order.

By Representatives Zeiger, Goodman, Klippert, Orwall, Appleton, Sawyer and Gregerson.

House Committee on Judiciary
Senate Committee on Law & Justice

Background: License Suspension for Failure to Pay Child Support. Federal law requires states to have procedures for the suspension or restriction of a person's driver's license, professional and occupational licenses, and recreational and sporting licenses if the person owes past child support. Under Washington's license suspension program, the Department of Social and Health Services (DSHS) may serve an obligated parent with a notice of noncompliance if the parent fails to pay his or her support when due. By rule, the DSHS generally uses this enforcement tool when a parent is six months or more behind in child support.

In order to avoid license suspension, the parent has 20 days from the date of the notice to contact the DSHS to pay overdue amounts, enter into a payment agreement, request an adjudicative hearing, or move to modify the child support obligation. If a parent fails to come into compliance with the child support order, the DSHS may certify to the Department of Licensing (DOL) and any appropriate licensing entity that the responsible parent is not in compliance with a child support order. The DOL suspends the parent's driver's license until the DSHS provides the DOL with a release stating that the parent is in compliance with the child support order.

Driving While Licensed Suspended or Revoked. It is a crime for a person to drive a motor vehicle in this state while that person's privilege to drive is suspended or revoked. There are three degrees of the crime of Driving While License Suspended or Revoked (DWLS), which are dependent on the reason the person's license was suspended or revoked.

First degree DWLS is a gross misdemeanor offense and involves driving when an order of license revocation is in effect for being a habitual traffic offender. Second degree DWLS, also a gross misdemeanor offense, generally involves driving when the person's license is suspended or revoked based on a conviction of any of a number of relatively serious traffic offenses or based on administrative action taken by the DOL.

Third degree DWLS (DWLS 3) is a misdemeanor offense and generally involves driving after a license is suspended or revoked for secondary reasons where there is no set suspension period, such as: (1) failure to respond to a notice of traffic infraction; (2) failure to appear at a requested hearing; (3) violation of a written promise to appear in court; or (4) failure to comply with the terms of a notice of traffic infraction or citation, in addition to a variety of other behaviors. The crime of DWLS 3 does not list a suspension based on failure to be in compliance with a child support order as a basis for committing the third-degree offense.

Summary: The crime of DWLS 3 applies to apply to driving while a license is suspended based on failure to be in compliance with a child support order.

Votes on Final Passage:

House	94	3
Senate	29	18

Effective: July 24, 2015

SHB 1283

C 167 L 15

Concerning nonprofit organizations engaged in debt adjusting.

By House Committee on Business & Financial Services (originally sponsored by Representatives Parker, Kirby and Vick).

House Committee on Business & Financial Services
Senate Committee on Financial Institutions & Insurance

Background: Debt Adjusting Act. Washington's Debt Adjusting Act (DAA) regulates the provision of debt adjusting services, which are defined as managing, counseling, settling, adjusting, pro-rating, or liquidating a debtor's indebtedness or receiving funds for distribution among creditors in payment of a debtor's obligations. A debt adjuster is a person who engages in debt adjusting for compensation and includes creditor counselors and debt settlement providers.

The contract between the debt adjuster and the debtor must contain various disclosures, including the debt adjuster's fees and must require the debt adjuster to notify the

debtor if a creditor refuses to accept payment. The total fee for debt adjusting services is capped at 15 percent of the debtor's total debt; excess fees void the contract. The fee retained by a debt adjuster from any one payment made by a debtor may not exceed 15 percent of the payment. Before retaining the fee, the debt adjuster must notify all creditors that the debtor has engaged the debt adjuster's services.

A debt adjuster may not receive any cash, bonus, reward, or other compensation from a person other than a debtor or a person acting on the debtor's behalf in connection with his or her activities as a debt adjuster.

Violation of the DAA constitutes a misdemeanor offense, as well as an unfair or deceptive act or practice under the Consumer Protection Act. The Office of the Attorney General may investigate debt adjusting businesses and examine their books and records.

Exemptions from the DAA. Numerous entities are exempt from regulation under the DAA. Among them are nonprofit organizations engaged in debt adjusting that charge debtors a fee of not more than $15 per month.

Also exempt from the DAA are attorneys, escrow agents, accountants, investment advisors, banks, and consumer loan companies, among others.

Summary: The prohibition against receiving compensation from any person other than the debtor excludes fair share, defined to mean creditor contributions paid to nonprofit debt adjusters by the creditors whose debtors receive debt adjusting services and pay down their debts accordingly. Fair share does not include grants received for services unrelated to debt adjusting. The fee retained by a debt adjuster from any one payment made by a debtor may not exceed 15 percent of the payment, not including fair share.

Nonprofit debt adjusters or nonprofit organizations exempt from regulation must submit a report to the Department of Financial Institutions (DFI) each year for two years beginning June 30, 2016. The report must contain the following information:

- the number and percentage of debtor clients who terminated or otherwise became inactive in debt adjusting services and what percentage of his or her debt each debtor settled;
- the total fees collected from Washington debtors; and
- the total fair share collected.

The report must also contain the following information for each debtor client:

- the date of contracting;
- the number of debts included in the contract;
- the principal amount of each debt at the time the contract was signed;
- the source of each debtor's obligations (e.g., credit card, student loan, medical debt);
- whether each debt is active, terminated, or settled;
- the settlement amount of the debt, if any, and the number and percentage of debtors who settled certain portions of their debt;
- the total fees charged to the debtor; and
- the organization's Form 990 submitted to the Internal Revenue Service or a statement of the organization's compensation provided to high-earning employees.

The DFI is required to summarize the information received, make the summary report public, and submit it to the Legislature by December 2016 and again by December 2017.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate receded)

Effective: July 24, 2015

SHB 1285
C 37 L 15

Requiring critical congenital heart disease screening for newborns.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Riccelli, G. Hunt, Van De Wege, Harris, Cody, Holy, Jinkins, Clibborn, Robinson, Walkinshaw, Peterson, Fitzgibbon, Ormsby, Bergquist, Tarleton, Farrell, Moeller, S. Hunt, Tharinger, Stanford and Gregerson).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Newborn Screenings. Newborn infants born in any setting are screened for a variety of heritable or metabolic disorders, including phenylketonuria, cystic fibrosis, congenital hypothyroidism, and maple syrup urine disease. The State Board of Health may add disorders to the newborn screenings by rule.

A blood sample is collected for all newborn infants within 48 hours of birth for testing by the Department of Health (DOH). A test may not be given to any newborn infant whose parents object on the basis of religion. If the tests indicate a suspicion of an abnormality, the DOH must report the test results to the infant's attending physician, who must inform the DOH the date upon which the parents were informed of the results.

Critical Congenital Heart Disease. Critical congenital heart disease (CCHD) is a group of congenital heart defects that can cause life-threatening symptoms; CCHD can include abnormal or absent heart chambers, holes in the heart, or abnormalities in the heart's function. The Recommended Uniform Screening Panel issued by the United

States Department of Health and Human Services includes CCHD.

Summary: Prior to discharge of an infant born in a hospital, the hospital must perform CCHD screening using pulse oximetry according to recommended American Academy of Pediatrics guidelines, record the results in the newborn's medical record, and, if the test indicates a suspicion of abnormality, refer the newborn for appropriate care and report the test results to the newborn's attending physician and parent or guardian.

A health care provider attending a birth outside of a hospital must provide the same CCHD screening as the hospital between 24 and 48 hours after the birth. If the health care provider is unable to provide the screening due to lack of equipment, he or she must notify the parents or guardian in writing that:

- the health care provider was unable to perform the test; and
- the infant should be tested by another health care provider between 24 and 48 hours after the birth.

A parent who objects on religious grounds may opt out of the screening.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 24, 2015

2ESHB 1299

PARTIAL VETO

C 10 L 15 E 1

Making transportation appropriations for the 2013-2015 and 2015-2017 fiscal biennia.

By House Committee on Transportation (originally sponsored by Representatives Clibborn and Fey; by request of Governor Inslee).

House Committee on Transportation
Senate Committee on Transportation

Background: The state government operates on a fiscal biennium that begins July 1 of each odd-numbered year. Supplemental budgets are typically enacted in each of the following two years after adoption of the biennial budget. Appropriations are made in the biennial and supplemental transportation budgets for the operation and capital expenses of state transportation agencies and programs.

Summary: Appropriations are made for state transportation agencies and programs for the 2015-17 fiscal biennium, as well as revised for the 2013-15 fiscal biennium. See House Transportation Committee supporting documents for more detail.

Votes on Final Passage:

House	78	19
First Special Session		
House	74	20
Senate	47	0

Effective: June 11, 2015
Contingent (Section 306 (20))

Partial Veto Summary: The Governor vetoed multiple provisions, including sections that: (1) direct the Utilities and Transportation Commission to conduct a rail employee safety workgroup; (2) direct the Office of Financial Management to study the feasibility of swapping state and federal resources on local projects; (3) concern the management of certain beaver dams on private property; (4) change 2013-15 appropriation levels for regional mobility grant projects; and (5) change 2013-15 appropriation and bond authorization levels for highway improvement projects.

VETO MESSAGE ON 2ESHB 1299

June 11, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 102, page 2, lines 29-36, and page 3, lines 1-8; 103(1); 213(3); 920(4); 1005, page 113, lines 26-27 and 1005(2); 1005(4); 1005(5); and 1005(6), Second Engrossed Substitute House Bill No. 1299 entitled:

"AN ACT Relating to transportation funding and appropriations."

Section 102, page 2, lines 29-36, and page 3, lines 1-8, Utilities and Transportation Commission, State Agency Workgroup

This proviso directs the Utilities and Transportation Commission (UTC) to coordinate a state agency workgroup to identify issues related to consolidating rail employee safety and regulatory functions within the UTC. Funding for this activity would come from the Grade Crossing Protective Account, which is used to install and maintain equipment to make grade crossings safer. Because this is not the appropriate fund source for coordinating a workgroup on the topic identified in the proviso, I have directed the UTC to conduct this activity with other existing resources. For this reason, I have vetoed Section 102, page 2, lines 29-36, and page 3, lines 1-8.

Section 103(1), page 3, Office of Financial Management, Study of Fund Exchange

This proviso directs the Office of Financial Management to perform a study on the feasibility of establishing a fund exchange where federal funds are exchanged for state funds to reduce the administrative burden on local governments which use federal funds. The funding is likely insufficient to provide a thorough report on the issues. In addition, the Joint Transportation Committee is a more appropriate entity to perform this analysis, not the Office of Financial Management. Therefore, I have vetoed Section 103(1).

Section 213(3), pages 18-19, Department of Transportation, Beaver Dams

This proviso creates a complicated process for managing beaver dams on private property that pose a threat to Washington state highways, individual personal property, and public safety. The proposed process would require the Washington State Department of Transportation to notify private property owners of impending threats from beaver dam failure, to produce wildlife management plans, and to provide potential remedies that could create liability for the state. In addition, no funding is provided for this effort. For these reasons, I have vetoed Section 213(3).

Section 920(4), pages 105-106, Department of Transportation, Public Transportation

This proviso prevents the Washington State Department of Transportation from continuing work on regional mobility grant projects previously authorized by the Legislature. The department needs authority to work on these projects to support local efforts to improve transit mobility and reduce congestion on our roadways. The majority of the projects are not yet complete, and expenditures have already been made. Therefore, I have vetoed Section 920(4).

Section 1005, page 113, lines 26-27, and Section 1005(2), page 114, Department of Transportation, Highway Improvements Program

Due to changes in the timing of expenditures for highway improvement projects and insufficient flexibility in the capital program budgets, this reduced appropriation would result in an estimated shortfall of $3.5 million in expenditure authority in the Highway Improvements program. The Washington State Department of Transportation must have ongoing expenditure authority to keep projects within the total spending plan. Therefore, I have vetoed Section 1005, page 113, lines 26-27, and Section 1005(2).

Section 1005(4), 1005(5) and 1005(6), page 115, Department of Transportation, Proceeds from Bond Sales

Section 605 provides the flexibility needed to retroactively assign bond proceeds received in the 2015-17 biennium to associated costs that occurred in the 2013-15 biennium. The reduced appropriations in Section 1005(4), Section 1005(5), and Section 1005(6) negate the flexibility provided in Section 605. For this reason, I have vetoed Section 1005(4), Section 1005(5), and Section 1005(6).

For these reasons I have vetoed Sections 102, page 2, lines 29-36, and page 3, lines 1-8; 103(1); 213(3); 920(4); 1005, page 113, lines 26-27 and 1005(2); 1005(4); 1005(5); and 1005(6) of Second Engrossed Substitute House Bill No. 1299.

With the exception of Sections 102, page 2, lines 29-36, and page 3, lines 1-8; 103(1); 213(3); 920(4); 1005, page 113, lines 26-27 and 1005(2); 1005(4); 1005(5); and 1005(6), Second Engrossed Substitute House Bill No. 1299 is approved.

Respectfully submitted,

Jay Inslee
Governor

HB 1302
C 38 L 15

Clarifying the applicability of child abduction statutes to residential provisions ordered by a court.

By Representatives Haler, Tarleton and Jinkins.

House Committee on Judiciary
Senate Committee on Law & Justice

Background: The crime of Custodial Interference generally involves taking, enticing, retaining, detaining, or concealing a child away from a parent or other person who has a lawful right to custody or time with the child, with the intent to deny that person access to the child. There are two degrees to the crime of Custodial Interference, and for both degrees, there are different elements to the crime depending on whether the perpetrator is a relative or parent of the child and whether or not a custody order or parenting plan has been established.

Custodial Interference in the first degree is committed by a parent if the parent takes a child with the intent to deny access to the other parent who has the right to time with the child under a court-ordered parenting plan, and the parent:

- intends to hold the child permanently or for a protracted period;
- exposes the child to a substantial risk of illness or physical injury; or
- causes the child to be removed from the state of usual residence.

Custodial Interference in the second degree is committed by a parent if:

- the parent takes a child with the intent to deny access to the other parent who has the right to time with the child under a court-ordered parenting plan;
- the parent has not complied with the residential provisions of the parenting plan after a finding of contempt; or
- the parent has engaged in a pattern of willful violations of the court-ordered residential provisions.

Under both first degree and second degree Custodial Interference committed by a parent, one element of the offense is that the parent from whom the child is taken must have a lawful right to time with the child under a court-ordered "parenting plan." In the case *State v. Veliz*, the Washington Supreme Court held that a domestic violence protection order containing residential provisions for a child does not constitute a court-ordered "parenting plan" for the purposes of Custodial Interference in the first degree. The court found that the Legislature used the term "parenting plan" as a term of art referring only to parenting plans established pursuant to a proceeding for the dissolution or legal separation of a marriage or domestic partnership.

Summary: Custodial Interference in the first degree when committed by a parent applies where the parent from whom the child is taken has the right to time with the child under any court order making residential provisions for the child.

Custodial Interference in the second degree when committed by a parent applies when the parent from whom a child is taken or kept has a lawful right to time with the child pursuant to any court order making residential provisions for the child, unless the factual basis for the charge is that the parent has not complied with the residential provisions of a parenting plan after a finding of contempt.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 24, 2015

HB 1307
C 39 L 15

Concerning enforcement standards for residential services and support providers.

By Representatives Harris, Tharinger, Walkinshaw and Kagi; by request of Department of Social and Health Services.

House Committee on Early Learning & Human Services
House Committee on Appropriations
Senate Committee on Health Care

Background: Certified Residential Services and Support Providers. Certified Residential Service and Support Providers (CRSSPs) are certified by the Department of Social and Health Services (DSHS) and contracted by the DSHS to deliver client instruction and support services. These providers include group homes, supported living services, community protection programs, crisis diversion bed services, and group training homes. Service providers must provide each client with instruction or support as identified in a client's individual support plan. The areas of support to the client may include:

- home living activities;
- community living activities;
- life-long learning activities
- social activities;
- employment;
- protection and advocacy activities;
- exceptional medical support needs; and
- exceptional behavioral support needs.

Enforcement Mechanisms for Certified Residential Services and Support Providers. The Developmental Disability Administration (DDA) applies enforcement mechanisms to community protection programs. These mechanisms include decertifying the provider, refusing to renew the certification, imposing conditions on certification, suspending referrals, or requiring the provider to implement a plan of correction. If community protection program providers fail to make the adjustments required by a plan of correction, the DDA may impose civil penalties up to $150 per day.

The Administrative Procedures Act applies to these enforcement actions.

Summary: The enforcement mechanisms that the DDA may impose on the CRSSPs to apply to all the CRSSPs.

The conditions that the DDA may impose on a CRSSP include making corrections within a specific time, requiring training, and imposing limits on the type of client the provider may serve. The DDA is also authorized to suspend the provider from accepting clients with specified needs by imposing a limited stop placement.

If the DDA orders a stop placement, the provider may not accept new clients or clients with specific needs until the stop placement order is terminated. The DDA will terminate the stop placement order when the violations have been corrected and the provider exhibits the capacity to maintain correction of the violations.

After ordering a stop placement, the DDA must make an on-site visit to the provider within 15 working days of the provider notifying the DDA that a correction was made. For serious violations, the DDA must visit the provider as soon as appropriate to ensure correction. Verification of all other violations may be made either by a DDA on-site visit or by credible written or photographic documentation.

The fines that the DDA may impose on providers are reduced to a maximum of $100 per day per violation. The DDA may impose a maximum total violation amount of $3,000.

Providers have the right to an informal dispute resolution process to dispute any violation found or enforcement remedy imposed by the DDA. Except for imposition of civil penalties, the effective date of enforcement actions may not be delayed or suspended pending hearings or an informal dispute resolution process.

The DDA must develop rules to implement these enforcement actions by January 1, 2016.

A separate residential services and support account is created and all receipts from civil penalties against a CRSSP must be deposited in this account. Expenditures from the account are authorized only for promoting the quality of life and care of a CRSSP client.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 24, 2015

HB 1308
C 132 L 15

Addressing surplus lines of insurance.

By Representatives Vick, Kirby, Parker and Stanford.

House Committee on Business & Financial Services
Senate Committee on Financial Institutions & Insurance

Background: Surplus Lines Insurance. Generally, an insurance company may not engage in the business of insurance in the state unless the insurance company is authorized to do so by the Office of the Insurance Commissioner (OIC). "Surplus lines" insurance coverage is an exception. Surplus lines insurance is coverage that cannot be procured from authorized insurance companies. Often, surplus lines policies cover risks that do not fit normal underwriting patterns or do not fit standard insurance policies. Unlike insurance offered by an authorized insurer, surplus lines insurance is not subject to rate and policy form oversight.

If coverage cannot be purchased from an authorized insurer, the coverage may be purchased from an unautho-

rized insurer through a licensed surplus lines broker if: a diligent effort is made to find the coverage from authorized insurers; and the purpose for using an unauthorized insurer is something other than securing a lower premium rate than would be accepted by any authorized insurer.

The surplus lines broker must execute an affidavit setting forth the facts regarding the required diligent effort and the purpose for using an unauthorized insurer when insurance is purchased from an unauthorized insurer. The affidavit must be filed with the OIC within 30 days after the purchase of the insurance.

Licensing requirements regarding surplus lines brokers include background checks, including fingerprints; minimum bonding amounts; record-keeping; and reporting. Because a surplus lines insurer is not an authorized insurance company, the Washington Insurance Guaranty Association, which pays claims as a result of the insolvency of an authorized insurer, does not cover claims of insureds of a surplus lines insurer.

Home State. An insured's "home state," if the insured is a business, is the state where the insured maintains its headquarters. For an individual, it is his or her principal residence or, if all of the insured risk is located outside of Washington, the state to which the greatest percentage of the insured's taxable premium is allocated.

Surplus Lines Premium Tax. A surplus lines broker must pay a tax of 2 percent on the premiums for surplus lines insurance transacted by the broker. The tax is credited to the General Fund. If a surplus lines policy covers risks or exposures that are only partially located in this state, the tax is computed upon the proportion of the risks or exposures located in this state.

For property and casualty insurance, if Washington is the insured's home state, the tax is computed upon the entire premium without regard to whether the policy covers risks or exposures that are located in this state. Risks located outside of the United States are not addressed. For all other lines of insurance, the tax is computed upon the proportion of the premium allocable to the risks or exposures located in Washington.

Summary: The tax on the premiums for surplus lines property and casualty insurance must be computed upon the entire premium for covered risks or exposures within the United States or its territories. The tax must be computed upon the entire premium, regardless of whether the risks or exposures are located in Washington.

If the surplus lines insurance covers risks or exposures located outside of the United States and its territories, no tax is due or payable for the portion of the premium allocated for those risks and exposures.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 24, 2015

HB 1309

C 133 L 15

Concerning the sale of floating homes or floating on-water residences by brokers.

By Representatives Vick and Kirby.

House Committee on Business & Financial Services
Senate Committee on Commerce & Labor

Background: A real estate broker is a person who negotiates for others the purchase, sale, exchange, lease, or rental of real property, business opportunities, or a manufactured home in conjunction with the land on which the home is located. A real estate broker is required to obtain a license from the Department of Licensing (Department).

A vessel dealer is a person engaged in the business of selling watercraft used or capable of being used as a means of transportation on the water, not including seaplanes. Vessel dealers must also obtain a license from the Department to sell vessels in Washington.

Certain kinds of residential homes float on the water. There are two types of such homes. The first is a floating home, defined as a single-family dwelling constructed on a float that is moored or anchored in the water. Such homes are not considered vessels, even if they are capable of being towed. The second kind of floating domicile is a floating on-water residence, defined as a floating residence with detachable utilities whose owner or occupant has held an ownership or leasehold interest in a marina space since at least June 30, 2014.

Summary: The definition of real estate brokerage services is expanded to include dealing in floating homes and floating on-water residences.

Real estate brokers are exempt from licensure as vessel dealers for the purpose of selling floating on-water residences.

Votes on Final Passage:

House	98	0
Senate	47	0

Effective: July 24, 2015

SHB 1313

C 40 L 15

Granting fire protection districts and regional fire protection service authorities biennial budget authority.

By House Committee on Local Government (originally sponsored by Representatives Zeiger, Fey, Stambaugh, Takko, Van De Wege, Stokesbary, Griffey and Reykdal).

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

Background: Fire Protection Districts. Fire protection districts (fire districts) are created to provide fire and emergency services to protect life and property in loca-

tions outside of cities and towns. A fire district may be established through a process involving a petition by the residents of a proposed district, a public hearing, and voter approval. Fire districts are governed by a board of three or five elected commissioners and are authorized to impose property taxes, benefit charges, or both.

Each year, fire districts are obligated to prepare and certify district budgets and to deliver the budgets to the applicable county legislative authority or authorities in ample time for the levying of fire district taxes.

Regional Fire Protection Service Authorities. Regional fire protection service authorities (RFAs) may be created as separate taxing districts charged with providing regional fire protection and emergency services within their jurisdictional boundaries. An RFA is formed when elected officials from two or more adjacent fire protection jurisdictions develop a plan for the creation, financing, and operation of an RFA that is subsequently approved by voters within the proposed RFA. The governing body of an RFA is determined by provisions in the plan calling for its creation. An RFA may impose property taxes, benefit charges, or both.

Provisions governing RFAs do not include mandates or authorizations related to the frequency with which budgets must or may be adopted.

Summary: In lieu of adopting only annual budgets, fire districts and RFAs may adopt biennial budgets with mid-biennium reviews and modifications for the second year of the biennium.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 24, 2015

SHB 1316

C 248 L 15

Allowing for an arrest without a warrant when a police officer has probable cause to believe a person has violated certain temporary protection orders.

By House Committee on Judiciary (originally sponsored by Representatives Stambaugh, Jinkins, Nealey, Hurst, Kilduff, Reykdal, Wilson and Sawyer).

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Protective Orders. A person may file a petition asking a judge to grant an order to protect him or her from another person whose behavior is abusive, threatening, exploitive, or seriously alarming. There are multiple types of protections orders, each intended for specific situations. These include domestic violence protection orders, antiharrassment protection orders, sexual assault protection orders, and vulnerable adult protection orders.

A vulnerable adult, or an interested person on behalf of a vulnerable adult, may bring a petition for an order for protection of a vulnerable adult in cases of abandonment, abuse, financial exploitation, or neglect.

A petitioner may seek a temporary protection order without notice to the respondent in order to protect the petitioner until a hearing on the petition is held. The court may grant a temporary protection order for a vulnerable adult when it appears that the respondent is committing, or is threatening, to abandon, abuse, exploit, or neglect the vulnerable adult.

Mandatory Arrests. A peace officer must arrest without a warrant and take into custody individuals who the officer has probable cause to believe has violated certain provisions of a protective order or temporary protective order issued relating to domestic violence, stalking, sexual assault, legal separation, or child custody. Mandatory arrests relating to vulnerable adult protection orders are only for violations of a protection order, not a temporary protection order. Provisions that require arrest include those that restrain a person, exclude the person from a residence, workplace, school, or day care, or prohibit the person from knowingly coming within, or knowingly remaining within, a specified distance of a location, if the person restrained knows of the order.

Summary: A peace officer must arrest without a warrant and take into custody any person the officer has a probable cause to believe has violated certain provisions of temporary protection orders regarding the abuse of vulnerable adults. Provisions that require arrest for a violation of such temporary protection orders include those that restrain a person, exclude the person from a residence, workplace, school, or day care, or prohibit the person from knowingly coming within, or knowingly remaining within, a specified distance of a location, if the person restrained knows of the order.

Violating certain provisions of temporary protection orders regarding the abuse of vulnerable adults is a gross misdemeanor. The provisions for which a violation would be considered a gross misdemeanor are: (1) restraint provisions prohibiting acts or threats of violence or stalking; (2) provisions excluding the person from a residence, workplace, school, or day care; (3) provisions prohibiting a person from knowingly coming within, or knowingly remaining within, a specified distance of a location; (4) provisions prohibiting interfering with the protected party's efforts to remove a pet; and (5) provisions of a foreign protection order specifically indicating that a violation is a crime.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate receded)

Effective: July 24, 2015

HB 1317
C 41 L 15

Revising the lien for collection of sewer charges by counties.

By Representatives Zeiger, Kilduff, Kirby, Wylie and Sawyer.

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

Background: County Liens for Delinquent Sewer and Water Bills. Counties operating a sewerage, water, or sewerage and water system have a lien against property for delinquent connection charges, service charges, interest, and penalties. Interest may be fixed by resolution at 8 percent per annum from the date due until paid. Penalties of not more than 10 percent of the amount due on unpaid charges may also be imposed.

Delinquent charges are certified to the county auditor periodically, and at that time, the lien attaches to the premises to which services were available. The lien is for all charges, interest, and penalties and is superior to all other liens and encumbrances, except general taxes and local and special assessments of the county.

The county may file a foreclosure action in the superior court where the property is located 60 days after attachment of the lien. The lien is foreclosed in the same manner as real property tax liens. Costs associated with the foreclosure action may be added to the lien.

City and Town Liens for Delinquent Sewer and Water Bills. Cities and towns that operate sewer systems have a lien against property for delinquent and unpaid: sewer service rates and charges, connection charges, penalties imposed for failure to connect private drains and sewers with those of the city or town, and interest. Penalties for failure to connect may be in an amount equal to the charge that would be made for sewer service if the property was connected to the system. Delinquent charges may bear interest in an amount up to 8 percent per annum, computed on a monthly basis, as provided by city or town ordinance.

The sewerage lien is against the premises to which service was furnished or is available. It is superior to all other liens and encumbrances, except general taxes and local and special assessments.

Without any writing or recording of the sewerage lien with the county auditor, it is effective for up to six months of delinquent charges. The lien may be effective for more than six months of charges by filing a sewerage lien notice with the county auditor. The notice must be substantially in a prescribed form and recorded in the same manner for recording of mechanics' liens.

Alternative Lien Procedure - Cities and Towns. A city or town may by ordinance or resolution adopt an alternative lien procedure. Under the alternative lien procedure, a city or town may establish that, without writing or recording a sewerage lien with the county auditor, the sewerage lien is effective for a period of up to one year's delinquent service charges.

As an additional means of enforcing sewerage liens, cities and towns may provide by ordinance for enforcement of the sewerage lien by cutting off water service from the property for which service charges are delinquent and unpaid.

Mechanics' Liens - Recording. For mechanics' liens, a notice of claim of lien must be filed for recording in the county where the subject property is located not later than 90 days after the person has ceased to furnish services. The notice of claim of lien must be in a prescribed form.

Unless the claim of lien is filed within a 90-day period, no action to foreclose the lien will be maintained. The claim of lien must be provided to the property owner by certified mail, registered mail, or personal service within 14 days of recording the claim of lien.

Summary: In addition to all delinquent charges, interest, and penalties, county sewer and water liens include lien recording and release fees.

In lieu of standard sewerage lien procedures, counties are authorized to adopt by ordinance or resolution alternative lien procedures available to cities and towns. Under the alternative lien procedures:

- A county may establish that, without any writing or recording of a sewerage lien with the county auditor, the lien is effective for up to six months of delinquent charges. The lien may be effective for more than six months of charges by filing a sewerage lien notice with the county auditor. The notice must be substantially in a prescribed, and recorded in the same manner provided by law for recording of mechanics' liens.
- The county may establish that, without writing or recording a sewerage lien with the county auditor, the sewerage lien is effective for a period of up to one year's delinquent service charges.
- The county may provide for enforcement of the sewerage lien by cutting off water service from the property to which service was furnished and charges are delinquent and unpaid.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 24, 2015

SHB 1319
C 134 L 15

Making technical corrections to processes for persons sentenced for offenses committed prior to reaching eighteen years of age.

By House Committee on Public Safety (originally sponsored by Representatives Goodman and Moscoso; by request of Department of Corrections).

House Committee on Public Safety
Senate Committee on Human Services, Mental Health & Housing

Background: In June of 2012 the United States Supreme Court held, in *Miller v. Alabama,* that the Eighth Amendment ban on cruel and unusual punishment forbids a sentencing scheme that mandates life in prison without the possibility of parole for juvenile homicide offenders. In 2013 legislation was enacted to comply with *Miller v. Alabama*. Youth who commit Aggravated first degree Murder must be sentenced to a 25-year minimum sentence if the youth committed the crime before age 16 years old, or a minimum sentence between 25 years and life, if the youth committed the crime at age 16 or 17 years old. Life without parole is available within the discretion of the judge for youths who commit Aggravated first degree Murder at age 16 or 17 years old. In setting a minimum term, the court must take into account mitigating factors as provided in *Miller v. Alabama*.

During the minimum term of total confinement, the offender is not eligible for community custody, earned release time, furlough, home detention, partial confinement, work crew, work release, any other form of early release, or any other form of authorized leave or absence from the correctional facility while not in the direct custody of a corrections officer. No later than 180 days prior to the expiration of the offender's minimum sentence, the Department of Corrections (DOC) must conduct an examination of the offender to assist in predicting the dangerousness and likelihood that the offender will engage in future criminal behavior if released. The Indeterminate Sentencing Review Board (ISRB) must order that the offender be released unless it determines by a preponderance of evidence that, despite conditions, it is more likely than not that the offender will commit new criminal law violations if released. If the ISRB does not order that the offender be released, it must set a new minimum term not to exceed five years for the offender prior to future review. If an offender is released after serving the minimum term of confinement, the offender is subject to community custody under the supervision of the DOC and the authority of the ISRB for a period of time determined by the ISRB.

Any offender convicted of one or more crimes committed prior to his or her eighteenth birthday may petition the ISRB for early release after serving no less than 20 years in total confinement, provided that the offender has not had any new convictions subsequent to his or her eighteenth birthday, has not had a major violation in the 12 months prior to the petition, and is not serving a sentence for Aggravated first degree Murder or a sex offense.

Summary: The DOC must supervise any offender who is released by the ISRB and who was sentenced to community custody or subject to community custody under the terms of release.

The DOC may release an offender from confinement when his or her release has been ordered by the ISRB, regardless of any mandatory sentence enhancements for firearms, deadly weapons, or sexual motivation.

An offender convicted of Aggravated first degree Murder prior to his or her eighteenth birthday may not earn early release time during the minimum term of confinement set by the court.

A juvenile offender released by the ISRB, who has been convicted of Aggravated first degree Murder, may be returned to confinement at the discretion of the ISRB when the offender has violated a condition of community custody. The ISRB shall set a new minimum term of incarceration not to exceed five years.

A juvenile offender released by the ISRB, other than those convicted of Aggravated first degree Murder or a sex offense, may be returned to confinement at the discretion of the ISRB for up to the remainder of the court-imposed term of incarceration when the offender has violated a condition of community custody. The offender may file a new petition for release five years from the date of return to confinement or at an earlier date set by the ISRB.

Votes on Final Passage:

House	98	0
Senate	46	0

Effective: April 29, 2015

SHB 1337
C 135 L 15

Increasing the flexibility for industrial development district levies for public port districts.

By House Committee on Finance (originally sponsored by Representatives Takko, Nealey, Springer, Zeiger, Tarleton and Chandler).

House Committee on Local Government
House Committee on Finance
Senate Committee on Trade & Economic Development
Senate Committee on Ways & Means

Background: Port Districts. Ports districts (districts) are established to acquire, construct, maintain, operate, develop, and regulate: harbor improvements; rail, motor vehicle, water, air, or any combination of such transfer and terminal facilities; other commercial transportation, transfer, handling, storage and terminal facilities; and industrial improvements.

Powers of the district are exercised through a port commission (commission) consisting of three or five members, as permitted. Commissions establish long-term strategies for districts, and create policies to guide the development, growth, and operation of the district. They are responsible for a district's annual budget, approving tax levy rates, and hiring district staff.

Industrial Development Districts. A commission may create, and define the boundaries of, industrial development districts (IDD) within a port district. In doing so, the commission must find that the creation of an IDD is proper and desirable in establishing and developing a system of harbor improvements and industrial development in the district.

A comprehensive scheme of harbor improvements and industrial developments (comprehensive scheme) provides for the development or redevelopment of marginal lands acquired within an IDD, and provides for the continuation of land uses that are public uses. Improvements of property in an IDD and acquisition of property must be made a part of the comprehensive scheme before any expenditures may be made on the improvements or property acquired.

Port districts that have created IDDs may exercise numerous powers, including to:

- acquire property and property rights by purchase or condemnation;
- develop and improve lands within the IDD;
- dredge, bulkhead, fill, grade, and protect property within the IDD;
- provide, maintain, and operate water, light, power and fire protection facilities and services, streets, roads, bridges, highways, waterways, tracks, rail and water transfer and terminal facilities, and other harbor and industrial improvements;
- execute leases of lands; and
- establish local improvement districts within the IDDs, levy special assessments, and issue local improvement bonds.

Property Taxes. Property taxes are imposed by state and local governments. The county assessor determines the assessed value for each property and calculates property taxes based on the assessed valuation. The property tax bill for an individual property is determined by multiplying the property's assessed value by the tax rate for each taxing district in which the property is located.

The aggregate of all tax levies upon real and personal property by the state and all taxing districts may not exceed 1 percent of the true and fair value of the property in any year. This limitation, however, does not prevent port districts from imposing levies at rates permitted by statute. Also, in general, the aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed $5.90 per $1,000 of assessed valuation. The term "junior taxing district" does not include port districts, and that this limitation does not apply to levies assessed by port districts at rates provided by statute.

Industrial Development District Levies. A port district that has adopted a comprehensive scheme may raise revenue by an annual levy, not to exceed 45 cents per $1,000 of assessed value against the assessed valuation of taxable property in the port district. A district's authority to impose this levy is subject to the following:

- *First Six-Year Period*. Any port district that has adopted a comprehensive scheme may raise revenue by an annual levy for a period of six years.
- *Second Six-Year Period*. A port district that has adopted a comprehensive scheme may raise revenue by an annual levy for a second six-year period after publishing notice of the intent to do so. However, if within 90 days of publishing notice a petition containing sufficient signatures of voters registered in the port district is filed with the county auditor, the proposition to make the levies must be submitted to a vote at a special election and approved by the voters.
- *Third Six-Year Period*. A port district that has adopted a comprehensive scheme and borders the Pacific Ocean may impose an annual levy for a third six-year period, if voters approve by a simple majority a ballot proposition authorizing the additional levies.

Levy revenues must be used exclusively for the exercise of powers granted to the port district. In the event that a levy produces revenue in excess of the requirements to complete all projects of a district, the excess must be used to retire general obligation bonded indebtedness. Revenues not expended in the year in which the levies were made may be paid into a fund for future use, which may be accumulated and carried over from year to year.

Summary: Provisions authorizing port districts that have adopted a comprehensive scheme to impose annual levies for up to three six-year periods are repealed effective January 1, 2026. Port districts are prohibited from levying taxes under the repealed provisions for collection in 2026 and after.

For taxes levied for collection in 2016 and after, port districts that have adopted a comprehensive scheme are authorized to impose levies for up to three multiyear levy periods.

Under the new provisions, port districts that have adopted a comprehensive scheme may raise revenue through levies for up to three multiyear levy periods. A district's authority to raise revenue through multiyear levy periods is subject to the following:

- *First and Second Multiyear Levy Periods*. For both first and second multiyear levy periods: the multiyear levy periods do not have to be consecutive; the multiyear levy periods may not overlap; the aggregate revenue that may be collected over the two multiyear

levy periods may not exceed an amount calculated in accordance with statute; the levy rate in any year may not exceed 45 cents per $1,000 of assessed value; and the multiyear levy periods may not exceed 20 years from the date the initial levy is made in the applicable multiyear period.
- In addition, for second multiyear levy periods, the commission must publish notice of the intent to impose levies over a second period, and if a petition is filed with the county auditor within 90 days of publication of the notice, submit the proposition to voters at a special election.
- *Third Multiyear Levy Period*. A port district that has adopted a comprehensive scheme and borders the Pacific Ocean may impose a third levy for a period that may not exceed six years, if voters approve by a simple majority a ballot proposition authorizing the levy. The levy rate may not exceed 45 cents per $1,000 of assessed value.

A port district that has imposed annual levies in a first six-year period pursuant to provisions repealed effective January 1, 2026, may be eligible to impose levies for a second or third multiyear levy period, provided that certain criteria are satisfied. Similarly, a port district that has imposed annual levies in a second six-year period may be eligible to impose levies for a third multiyear levy period, provided that certain criteria are satisfied.

With the exception of levies assessed by port districts in a third multiyear levy period, limitations for regular property taxes do not apply to port district levies for the IDDs.

Votes on Final Passage:

House	75	23
Senate	48	0

Effective: July 24, 2015

HB 1342

C 42 L 15

Permitting the sale of cider in microbrewery tasting rooms.

By Representatives Bergquist, Condotta, Takko, S. Hunt, Wylie, Magendanz and Moscoso.

House Committee on Commerce & Gaming
Senate Committee on Commerce & Labor

Background: A microbrewery license authorizes production of up to 60,000 barrels of beer per year. Microbreweries are also permitted to sell beer for on-premises consumption and may sell beer produced by another microbrewery, provided that the other brewery's beers do not constitute more than 25 percent of the on-tap offerings.

Cider, or fermented apple or pear juice containing between 0.5 percent and 7 percent alcohol, is regulated as wine. Microbreweries may not serve wine without a separate license, such as a tavern license or a beer and/or wine restaurant license.

Summary: Licensed microbreweries may sell cider produced by a domestic winery for on-premises or off-premises consumption.

Votes on Final Passage:

House	96	1
Senate	39	9

Effective: July 24, 2015

SHB 1382

C 43 L 15

Addressing the delivery of basic firefighter training and testing.

By House Committee on Local Government (originally sponsored by Representatives Griffey, Blake, Lytton and G. Hunt).

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

Background: Washington's Director of Fire Protection, a position also referred to as the Washington State Fire Marshal (Fire Marshal), is charged with providing training, certification, and coordination duties related to protecting life, property, and the environment from fire. The Fire Marshal is appointed by the Chief of the Washington State Patrol (WSP), and the Fire Marshal's office operates as a bureau within the WSP. Bureau staff is located in its Olympia headquarters office, at the WSP Fire Training Academy (Academy) in North Bend, Washington, and in eight field offices around the state.

One of the Fire Marshal duties is to develop and adopt a plan with a goal of providing Fire Fighter I and wildland training to all firefighters in the state. The term "Fire Fighter I" is used to designate a specific level of training, knowledge, and skills that relate to functioning safely and effectively as an integral member of a firefighting team. "Wildland training" refers to a type of training that prepares firefighters for fighting wildfires. Wildland training is encompassed within firefighter training provided at the Academy.

The Fire Marshal reimburses firefighting entities for the costs incurred by these entities in providing their own training to firefighters. For example, wildland training reimbursements must be provided by the WSP to fire protection districts (fire districts) and city fire departments (fire departments) if certain requirements are met. Additionally, the training plan of the Fire Marshal must include a reimbursement for fire districts and fire departments of not less than $3 per hour of Fire Fighter I or wildland training. The reimbursements that the WSP can provide per fire-

fighter for Fire Fighter I or wildland training may not exceed 200 hours.

Summary: The Director of Fire Protection (Fire Marshal), rather than developing and adopting a plan with a goal of providing Fire Fighter I and wildland training to all firefighters in the state, must develop and adopt a plan for the WSP Fire Training Academy (Academy) to deliver basic firefighter training and testing to all city fire departments (fire departments), fire protection districts (fire districts), regional fire protection service authorities (RFAs), and other public fire agencies in the state. The plan must specify that the delivery of training and testing services will be provided to recipients in the following order of priority:

- volunteer departments;
- combination departments; and
- fire agencies that employ only career firefighters and fire officers.

The plan must also specify that the delivery of training and testing services will be provided by personnel of the Academy, either at the Academy's facilities in North Bend, Washington or regionally at local fire agencies.

In lieu of receiving training and testing services from the Academy, city fire departments, fire districts, RFAs, and other public fire agencies in the state may seek reimbursement for their Firefighter I training expenses. The amount of reimbursement must be calculated on a per capita basis using a formula that considers, in part, the three-year statewide firefighter per capita average for the regional direct delivery of training by the Academy. Prior to the implementation of these formula-based reimbursement provisions, the amount of reimbursement for city fire departments, fire districts, RFAs, and other public fire agencies must not be less than $3 for every one hour of provided Firefighter I training and may not exceed 200 hours.

Subject to approval by the Fire Marshal, and in accordance with the firefighter training and testing plan, Academy facilities and programs must be made available at no cost to fire service youth programs. The goal of making these facilities and programs available is to increase enrollment of volunteer firefighters and to improve gender, cultural, and ethnic diversity within the fire service.

Definitions related to the development and adoption of a firefighter training and testing plan by the Fire Marshal are established as follows:

- "Basic firefighter training and testing" means training and testing for firefighters that is up to and includes the requirements of Firefighter I, as identified by the National Fire Protection Association Standard 1001.
- "Combination department" means a fire department with emergency service personnel comprising less than 85 percent of either volunteer or career membership.
- "Delivery of training" includes all resources, personnel, and equipment necessary to deliver training at the Academy or regionally at local fire agencies.
- "Volunteer department" means a fire department with volunteer emergency service personnel comprising 85 percent or greater of its department membership.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: July 24, 2015

HB 1389

C 181 L 15

Addressing the scope of state fire service mobilization and ensuring compliance with existing state and federal disaster response policies.

By Representatives Goodman, Griffey, Klippert, Van De Wege, Tarleton, Chandler, Morris, Lytton, Hayes and Moscoso.

House Committee on Public Safety
House Committee on Appropriations
Senate Committee on Government Operations & Security
Senate Committee on Ways & Means

Background: Generally, during an emergency when a local jurisdiction needs assistance beyond the capabilities of local resources and mutual agreements, a request may be made for a state mobilization.

A mobilization means that resources beyond those available through existing agreements will be requested and, when available, sent in response to an emergency or disaster situation that has exceeded the capabilities of available local resources. During a large scale emergency, mobilization includes the redistribution of regional or statewide firefighting resources to either direct emergency incident assignments or to an assignment in communities where firefighting resources are needed.

The Chief of the Washington State Patrol (WSP) has the authority to mobilize jurisdictions under the Washington State Fire Services Mobilization Plan. The purpose of the mobilization plan is to provide a mechanism and process to quickly notify, assemble, and deploy fire service personnel and equipment to any local fire jurisdiction in Washington that has expended or will expend all available local and mutual aid resources in attempting to manage fires, disasters, or other events that jeopardize the ability of a jurisdiction to provide for the protection of life and property. The State Fire Marshal in the WSP serves as the state fire resources coordinator when a state mobilization plan is mobilized.

State fire mobilization plans are generally needed:

- because of the possibility of the occurrence of disastrous fires or other disasters of unprecedented size and destructiveness;

- to insure that the state is adequately prepared to respond to a fire or disaster;
- to provide for redistribution of personnel, equipment, and other logistical resources from around the state when a wild land fire or other emergency exceeds the firefighting capacity of local jurisdictions;
- to establish a mechanism and a procedure to provide for reimbursement to state agencies and local agencies that respond to help others in time of need or to a host fire district that experiences expenses beyond its allocated available resources in that district; and
- to protect the public peace, health, safety, lives, and property of the people of Washington.

The WSP in consultation with the Office of Financial Management and the Washington Military Department is responsible for developing procedures to facilitate reimbursement to state agencies and local jurisdictions from appropriate federal and state funds when state agencies and jurisdictions are mobilized by the Chief of the WSP under the Washington Fire Services Mobilization plan.

When a mobilization is declared by the Chief of the WSP, all firefighting resources, including those of the host fire protection authorities, are deemed mobilized. Beginning from the time the mobilization is declared, all non-host fire protection authorities providing firefighting resources in response to a mobilization declaration are eligible for expense reimbursement. All state and local agencies that participate in a fire service mobilization generally receive reimbursement through the state's Disaster Response Account (Account).

The Account is a dedicated account in the State Treasury. Money may be placed in the Account from legislative appropriations and transfers, federal appropriations, and other lawful sources. Expenditures from the Account are used to support state agency and local government disaster response and recovery efforts. There have been 156 mobilization events since the inception of the Washington Fire Services Mobilization Plan in 1994: 154 of the events were fire-related and two of the events were non-fire events (the 1999 World Trade Organization riots and the 2008 Rosalia Motorcycle Rally).

Summary: The Legislature recognizes the role that fire service personnel play in responding to fires as well as other various types of disasters. It is the intent of the Legislature that state fire service mobilizations be allowed in all incidents to which fire service personnel typically respond, so long as the mobilizations meet the requirements identified in the Washington State Fire Service Mobilization Plan. It is the intent of the Legislature to review the use of fire mobilizations for emergencies and disasters other than fire suppression to determine if this policy should continue or be modified.

The term "mobilization" is redefined to mean that all risk resources regularly provided by fire departments, fire districts, and regional fire protection service authorities beyond those available through existing agreements will be requested and, when available, sent in response to an emergency or disaster situation that has exceeded the capabilities of available local resources. During a large scale emergency, mobilization includes the redistribution of regional or statewide risk resources to either direct emergency incident assignments or to assignments in communities where resources are needed. Fire department resources may not be mobilized to assist law enforcement with police activities during a civil protest or demonstration. However, fire departments, fire districts, and regional fire protection service authorities may provide medical care or aid and firefighting when mobilized for any purpose.

"All risk resources" means those resources regularly provided by fire departments, fire districts, and regional fire protection service authorities required to respond to natural or man-made incidents, including but not limited to, wild land fires, landslides, earthquakes, floods, and contagious diseases.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House	97	1	(House concurred)

Effective: July 24, 2015

HB 1392

C 183 L 15

Concerning the administrative rate the recreation and conservation funding board may retain to administer the grant programs established in chapter 79A.15 RCW.

By Representatives Stanford, Tharinger, Dunshee and McBride; by request of Recreation and Conservation Office.

House Committee on Capital Budget
Senate Committee on Natural Resources & Parks

Background: The Recreation and Conservation Office (RCO) administers several grant programs for numerous boards and councils to create outdoor recreational opportunities, protect the state's wildlife habitat and farmland, and assist salmon recovery efforts. One such grant program is the Washington Wildlife and Recreation Program (WWRP) that was established in 1990 to acquire as soon as possible the most significant lands for wildlife conservation and outdoor recreation purposes. In addition to acquiring recreation and habitat lands, the program also develops recreation areas for growing populations, preserves farmlands, and restores and develops state lands.

The grants are selected through a competitive process and funds are awarded by the Recreation and Conservation Funding Board (RCFB). The RCO must submit a prioritized list of projects to the Legislature in its biennial budget request. The projects are prioritized by eight advisory committees that review and rank the applications submitted to the RCFB. In addition to supporting the RCFB

and the advisory committees, the RCO develops the grant program policies and prepares and supports the materials and electronic applications. The RCO communicates with potential applicants and provide technical assistance. These reviews applications for completeness and prepares and manage grant agreements for each project. These ensures compliance and provides public access to and disclosure of grant records.

Before 2004 no administrative funds were allowed to be retained from WWRP appropriations. In 2005 a 3 percent fee was established for the administration of the WWRP. The amount available for administration varies depending on the total appropriations, which have ranged from $42 million in 2011-13 to $100 million in 2007-09. An analysis conducted by the RCO shows that the actual cost to administer the program is about 4.3 percent.

The RCO is authorized to retain portions of appropriated funds to administer other grant programs as well. Those administrative fees vary depending on the program. For instance, the Aquatic Lands Enhancement Account program allows up to 5 percent to be used for administrative costs. The Youth Athletic Facilities program allows up to 4.12 percent and the Nonhighway and Off-road Vehicle Activities program allows up to 10 percent to be retained for administrative costs.

Summary: The RCO is authorized to retain a portion of the funds appropriated for the WWRP for administrative costs. The portion must be based on either (a) the actual administration costs averaged over the previous five biennia as a percentage of the new appropriation, or (b) the amount specified in the appropriationss, if any. The percentage of the appropriation must be approved by the Office of Financial Management and submitted along with the prioritized list of projects.

Votes on Final Passage:

House	72	25	
Senate	47	2	(Senate amended)
House	73	24	(House concurred)

Effective: July 24, 2015

ESHB 1410

C 136 L 15

Modifying provisions governing the competitive bidding process of water-sewer districts.

By House Committee on Local Government (originally sponsored by Representatives Takko, Muri, Kilduff, Zeiger, Manweller, Pike, Stanford and Condotta).

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

Background: Special purpose districts are limited purpose local governments separate from a city, town, or county government. Water-sewer districts (districts), a type of special purpose district, are created to further public health and safety and to furnish water, sewerage, and drainage services to persons within and without the district.

Contract and Competitive Bidding. All work ordered by a district that has an estimated cost in excess of $20,000 must be let by contract and competitive bidding. Any purchases by the district of materials, supplies, or equipment that has an estimated cost in excess of $40,000 must be let by contract. Purchases with an estimated cost of $50,000 or more must be made by competitive bidding. Competitive bidding requirements may be waived if an applicable exemption applies to the purchase or public work.

Before a district contract requiring competitive bidding is awarded, notice inviting sealed bid proposals must be published. Bids submitted to the district must be accompanied by a deposit in an amount not less than 5 percent of the amount of the bid. The contract must be awarded to the lowest responsible bidder.

When a contract is let, the successful bidder's deposit is retained until the contract is entered into for the work and a performance bond for the full amount of the contract price is furnished to the district in accordance with the bid. If the bidder fails to enter into a contract and furnish a performance bond, the deposit is forfeited to the district.

Summary: The estimated cost threshold for work ordered by a district, over which it must be let by contract and competitive bidding, is increased from $20,000 to $50,000.

Votes on Final Passage:

House	97	0
Senate	41	5

Effective: July 24, 2015

EHB 1422

C 168 L 15

Concerning misrepresentation of a floral product business's geographic location and advertising requirements for floral product businesses.

By Representatives Scott, Griffey and Condotta.

House Committee on Business & Financial Services
Senate Committee on Commerce & Labor

Background: In 1999 legislation was enacted prohibiting florists from misrepresenting their geographic location. Where there is no conspicuous disclosure of the the actual location of the business, a floral business may not misrepresent its location by:

- listing a local telephone number in a local telephone directory if the calls to the number are routinely forwarded or otherwise transferred outside of the calling area covered by the directory; or
- listing a business name in a local telephone directory if the name misrepresents the business's geographic location.

A violation of these provisions is an unfair or deceptive act in trade or commerce and an unfair method of competition in violation of the Consumer Protection Act (CPA). Under the CPA, any person who is injured in his or her business or property by a violation may bring a civil action in superior court to enjoin further violations, to recover actual damages, as well as costs and attorneys' fees. A business in violation of the CPA by the use of unfair methods of competition and unfair or deceptive acts or practices is subject to a civil penalty of up to $2,000.

Summary: Businesses that provide floral or ornamental products or services are not permitted to list a local telephone number in an advertisement or listing unless the true physical address, including the city, is identified. If such a business lists a fictitious or assumed business name in any advertisement or listing that misrepresents the geographical location of the business, it must also identify the true location of the business including the city and state.

If a business violates any of these prohibitions, the exclusive maximum punishment is a fine of $250. The prohibitions do not apply to a publisher of a telephone directory or other publication, a provider of directory assistance, an Internet website that aggregates business information, or an Internet service provider.

Votes on Final Passage:

House	94	3	
Senate	44	5	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

ESHB 1424

C 249 L 15

Concerning suicide prevention.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Orwall, Kagi, Jinkins, Gregerson, Goodman, Santos, Fey and Sawyer).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: The following health professions must complete training in suicide assessment, treatment, and management every six years as part of their continuing education requirements:

- counselors and certified advisors;
- chemical dependency professionals;
- marriage and family therapists, mental health counselors, and social workers;
- occupational therapy practitioners; and
- psychologists.

The following health professions must complete one-time training in suicide assessment, treatment, and management:

- chiropractors;
- naturopaths;
- licensed practical nurses, registered nurses, and advanced registered nurse practitioners;
- physicians;
- osteopathic physicians;
- physician assistants;
- osteopathic physician assistants;
- physical therapists; and
- physical therapist assistants.

A disciplining authority may, by rule, specify the minimum training and experience that is sufficient to exempt a professional from the training requirements. A disciplining authority may also exempt a professional if he or she has only brief or limited patient contact.

The disciplining authorities governing the professions subject to the training requirements must work collaboratively to develop and maintain a model list of training programs. When updating the list, the disciplining authorities must, to the extent practicable, endeavor to include training that includes content specific to veterans. The disciplining authorities must consult with the Washington State Department of Veterans Affairs (WDVA) when identifying content specific to veterans.

Beginning July 1, 2015, school nurses, school social workers, school psychologists, and school counselors must complete training in youth suicide screening and referral as a condition for certification. The training must be at least three hours in length and be consistent with standards adopted by the Professional Educator Standards Board (PESB).

Summary: The one-time training requirement for chiropractors, naturopaths, nurses, physicians, osteopathic physicians, physician assistants, osteopathic physician assistants, physical therapists, and physical therapy assistants is delayed until January 1, 2016. The delay does not affect the acceptability of training completed between June 12, 2014, and January 1, 2016. Certified registered nurse anesthetists and medical school graduates with limited training licenses are exempt from the training requirement.

A disciplining authority may not grant a blanket exemption to broad categories or specialties within a profession based on training and experience.

By June 30, 2016, the Department of Health (DOH) must adopt rules establishing minimum standards for training programs on the model list. The minimum standards must require that six-hour trainings include content specific to veterans and the assessment of issues related to imminent harm via lethal means or self-injurious behaviors. When adopting the rules, the DOH must:

- consult with the affected disciplining authorities, public and private institutions of higher education, experts in suicide assessment, treatment, and management, the WDVA, and affected professional associations; and

- consider standards related to the Best Practices Registry of the American Foundation for Suicide Prevention and the Suicide Prevention Resource Center.

The DOH must provide the training standards to the PESB and may provide technical assistance in the review and evaluation of education training programs.

Beginning July 1, 2017, the model list must contain only trainings that meet the minimum standards and any three-hour trainings that met the training requirements on or before July 26, 2015. The trainings on the list must include six-hour trainings in suicide assessment, treatment, and management and three-hour trainings that include only screening and referral elements. A person or entity providing the training may petition the DOH for inclusion on the model list; the DOH must add trainings to the list that meet the minimum standards. Approved educator training programs may also be included on the model list.

Beginning July 1, 2017, the health professions subject to the training requirement must complete trainings that are on the model list. This does not affect the validity of training completed prior to July 1, 2017.

Votes on Final Passage:

House	95	2	
Senate	47	1	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

HB 1431

C 150 L 15

Modifying exemptions relating to real estate appraisals.

By Representatives Bergquist, Holy and S. Hunt.

House Committee on State Government
Senate Committee on Government Operations & Security

Background: The Public Records Act (PRA) requires state and local agencies to make their written records available to the public for inspection and copying upon request, unless the information fits into one of the various specific exemptions. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions.

Real property appraisals regarding the acquisition of property made for or by an agency are exempt from disclosure. The exemption lasts until the prospective sale or project is abandoned or all property related to the appraisal has been sold or acquired. The exemption does not apply to appraisals regarding the acquisition of property for the purpose of providing relocation housing.

Summary: Documents related to an agency's real estate transactions are exempt from disclosure if the documents are prepared for determining a site or acquisition of property by lease or purchase when public knowledge of such consideration would likely cause an increase in the property price. Documents prepared to consider the minimum selling price of property offered to be sold or leased is exempt when public knowledge would likely cause a decrease in the price. These exemptions include records prepared for the executive session of an agency's governing body.

Votes on Final Passage:

House	78	20
Senate	47	1

Effective: July 24, 2015

ESHB 1440

C 222 L 15

Prohibiting the use of a cell site simulator device without a warrant.

By House Committee on Public Safety (originally sponsored by Representatives Taylor, Goodman, Pollet, Scott, Condotta, Shea, G. Hunt, Young, Moscoso, Smith, Ryu, Jinkins, Magendanz, Farrell and McCaslin).

House Committee on Public Safety
Senate Committee on Law & Justice

Background: Generally, a cell site simulator is a device the can impersonate a wireless service provider's (i.e., cellular phone company's) cell tower, prompting mobile phones and other wireless devices to communicate with the simulators instead of with the legitimate cell towers. Such devices are able to intercept conversations and can track cell phone signals inside vehicles, homes, and insulated buildings.

A pen register is a device attached to a telephone line that records the phone numbers dialed from that telephone line. A trap and trace device is a device attached to a telephone line that records the telephone numbers of all calls coming into that telephone line. Federal and state law regulate the installation and use of both of these devices.

A pen register or trap and trace device may be installed and used by law enforcement agencies pursuant to an authorizing court order or in certain emergency situations.

Court Authorization. A law enforcement officer may apply to the superior court for a court order authorizing the installation and use of a pen register or a trap and trace device. The court must authorize the installation and use of the device if the court finds: (1) that the information likely to be gained is relevant to an ongoing criminal investigation; and (2) there is probable cause to believe that the device will lead to evidence of a crime, contraband, fruits of crime, items criminally possessed, weapons, or things by means of which a crime has been committed or reasonably appears about to be committed.

The court order must specify the identity of the person registered to the affected line, the identity of the subject of the criminal investigation, the number and physical loca-

tion of the affected line, and a statement of the offense to which the information likely to be obtained relates.

The court order is valid for a period not to exceed 60 days. A 60-day extension may be ordered based upon a new application and a court finding that there is probability that the information sought is more likely to be obtained under the extension than under the original order. No extension beyond the first extension may be granted unless: (1) there is a showing that there is a high probability that the information sought is more likely to be obtained under a subsequent order; or (2) there are extraordinary circumstances shown, such as immediate danger of death or injury to an officer. The existence of the pen register or trap and trace device may not be disclosed by any person except by court order.

If requested by the law enforcement officer and directed by the court, providers of wire or electronic communication services and other appropriate persons must provide the law enforcement officer authorized to install a pen register or trap and trace device with all information, facilities, and technical assistance necessary to complete the installation. A person who provides assistance must be reasonably compensated for the person's services and is immune from civil or criminal liability for any information, facilities, or assistance provided in good faith reliance on a court order authorizing the installation.

Emergency Situations. A pen register or trap and trace device may be installed without prior court authorization if a law enforcement officer and a prosecuting attorney or deputy prosecuting attorney jointly and reasonably determine that there is probable cause to believe that: (a) an emergency exists involving immediate danger of death or serious bodily injury to any person; (b) the pen register or trap and trace device needs to be installed before an authorizing court order can be obtained; and (c) grounds exist upon which an authorizing court order could be entered. A court order approving the use of the pen register or trap and trace device in an emergency situation must be obtained within 48 hours after its installation.

In the absence of an authorizing court order, the use of a pen register or trap and trace device must immediately terminate once the information sought is obtained, when the application for the order is denied, or when 48 hours have elapsed since the installation, whichever is earlier. If a court order approving the installation is not obtained within 48 hours, any information obtained from the installation is not admissible as evidence in any legal proceeding.

A law enforcement agency must file a monthly report with the Administrative Office of the Courts indicating the number of authorizations made by the agency without a court order, the date and time of each authorization, and whether a subsequent court authorization was sought and granted. An officer who knowingly installs a pen register or trap and trace device without court authorization and who does not seek court authorization within 48 hours is guilty of a gross misdemeanor.

Privacy Act. The Privacy Act (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 persons participating in the communication or conversation. There are limited exceptions to this general rule that allow the communication or conversation to be intercepted and recorded when only one party consents. The Act allows a court to order interceptions of communications without the consent of any party to the communication only in cases involving danger to national security, human life, or imminent arson or riot. Trap and trace devices are not considered private communications under the Act.

Electronic communication means any transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photoelectronic, or photooptical system, but does not include any wire or oral communication, any communication made through a tone-only paging device, or any communication from a tracking device.

The act does not regulate cell site simulators.

Summary: The Act is expanded to regulate the use of cell site simulators. The regulations applicable to pen registers and trap and trace devices are also extended to regulate cell site simulators. No person may install or use a cell site simulator device without prior court authorization except as specifically authorized under the Act. A law enforcement officer must obtain a court order for the installation and use of a cell site simulator unless there is probable cause to believe an emergency exists.

The court order must specify the following:

- the identity of who is subscribed to the affected line;
- the identity of the subject of the criminal investigation;
- the number and physical location of the affected line, the type of device, all categories of information to be collected from the targeted device, whether the cell site simulator device will incidentally collect information from any parties not specified in the court order, and any disruptions to access or use of a communications or Internet access network that may be created; and
- a statement of the offense to which the information likely to be obtained relates.

Law enforcement agencies authorized to use a cell site simulator device must: (1) take all steps necessary to limit the collection of any information or metadata to the target specified in the applicable court order; (2) take all steps necessary to permanently delete any information or metadata collected from any party not specified in the court order immediately following such collection, and not transmit or use such information or metadata for any purpose; and (3) delete any information or metadata collected

from the target specified in the court order within 30 days if there is no longer probable cause to support the belief that such information or metadata is evidence of a crime.

The state and its political subdivisions, by means of a cell site simulator device, may not collect or use a person's electronic data or metadata without: (1) that person's informed consent; (2) a warrant, based upon probable cause, that describes with particularity the person, place, or thing to be searched or seized; or (3) acting in accordance with a legally recognized exception to the warrant requirements.

A cell site simulator device is a device that transmits or receives radio waves for the purpose of conducting one or more of the following operations: (1) identifying, locating, or tracking the movements of a communications device; (2) intercepting, obtaining, accessing, or forwarding the communications, stored data, or metadata of a communications device; (3) affecting the hardware or software operations or functions of a communications device; (4) forcing transmissions from or connections to a communications device; (5) denying a communications device access to other communications devices, communications protocols, or services; or (6) spoofing or simulating a communications device, cell tower, cell site, or service. A cell site simulator device includes, but is not limited to, an international mobile subscriber identity catcher or other invasive cell phone or telephone surveillance or eavesdropping device that mimics a cell phone tower and sends out signals to cause cell phones in the area to transmit their locations, identifying information, and communications content, or as a passive interpretation device or digital analyzer that does not send signals to a communications device under surveillance. A cell site simulator device does not include devices used or installed by an electric utility to measure electrical usage, to provide services to customers, or to operate the electric grid.

Electronic communication does not include any communication from a tracking device, but solely to the extent the tracking device is owned by the applicable law enforcement agency.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	96	0	(House concurred)

Effective: May 11, 2015

SHB 1447
C 44 L 15

Granting the director of the department of enterprise services the authority to fine contractors as a penalty for certain behaviors.

By House Committee on State Government (originally sponsored by Representatives Holy, S. Hunt and Appleton; by request of Department of Enterprise Services).

House Committee on State Government
Senate Committee on Government Operations & Security

Background: The Director (Director) of the Department of Enterprise Services (DES) has the authority to debar a contractor based on a finding of one or more of the following:

- conviction of a criminal offense as an incident to obtaining a public or private contract or subcontract, or in the performance of such contract;
- conviction under state or federal law for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty;
- conviction under state or federal antitrust laws arising out of the submission of bids or proposals;
- violation of contract provisions of a character regarded by the Director to justify debarment action, including deliberate failure without good cause to perform the contract, a recent record of failure to perform, or unsatisfactory performance with the terms of one or more contracts;
- violation of ethical standards; or
- any other serious or compelling cause to affect responsibility as a state contractor, including debarment by another governmental entity.

A decision to debar must be issued by the Director in writing, must state the reasons for the action taken, and must inform the debarred contractor of his or her rights to judicial or administrative review.

Summary: Under the same procedures used to debar a contractor, the Director is authorized to impose a fine on a contractor for cause as an alternative to debarment. The DES must establish the fining process by rule.

Votes on Final Passage:

House	96	1
Senate	49	0

Effective: July 24, 2015

ESHB 1449
C 274 L 15

Concerning oil transportation safety.

By House Committee on Environment (originally sponsored by Representatives Farrell, Carlyle, Fitzgibbon, Ortiz-Self, Peterson, Walkinshaw, Gregerson, Senn, McBride, Robinson, Tarleton, Pollet, Cody, Ormsby, Riccelli, Kagi, Blake, Fey, Hudgins, Lytton, Bergquist, Sells, Takko, Tharinger, Jinkins, Wylie, S. Hunt, Stanford, Reykdal, Sawyer, Appleton, Van De Wege, Clibborn, Ryu, Goodman and Kilduff; by request of Governor Inslee).

House Committee on Environment
House Committee on Finance
Senate Committee on Energy, Environment & Telecommunications
Senate Committee on Ways & Means

Background: The 2014 Supplemental Operating Budget included a proviso directing the Department of Ecology (ECY) to study program gaps and public safety risks associated with oil transport over water and by rail. The ECY was directed to work with the Utilities and Transportation Commission (UTC), the Emergency Management Division (EMD) of the State Military Department, and other stakeholders in carrying out the study. In December 2014 the ECY issued a draft study featuring 43 recommended changes to federal, state, and local oil-transportation policies and programs; a final report was issued in March 2015.

Modes of Oil Transportation. Oil, including crude oil and refined petroleum products, is sometimes transported by vessel, pipeline, or train between the point of extraction, processing facilities, and other destinations. The types of vessels used to transport oil include: oil tankers, tank barges towed by tugs, and articulated tug barges that feature a structural connection from the tug providing propulsion for the barge. Oil transported by rail is carried in individual tank cars; oil-carrying tank cars may comprise part or all of the cargo of a train.

Definition of Oil. For the purposes of state laws regarding oil spill prevention, planning, and financial responsibility, "oil" is defined as any kind or distillate of oil that is liquid at atmospheric temperature. Specific types of oil are explicitly included within this definition. However, the definition does not explicitly list the following as types of oil:

- bitumen, which is a heavy oil that will not flow until heated or diluted;
- synthetic crude, which results from the processing of bitumen; and
- natural gas well condensate, which is a liquid hydrocarbon mixture recovered at natural gas well heads.

Financial Assurance Requirements for Facilities and Vessels. Facilities such as oil refineries and terminals must demonstrate the financial ability to compensate the state and local governments for damages arising from a worst-case spill. Likewise, barges and tank vessels that use state waters or ports must also document their financial ability to pay for oil spill removal costs, natural-resource damages, and related expenses. Financial responsibility must be demonstrated to the ECY in one of several ways, including providing evidence of insurance or surety bonding.

Oil Spill Prevention Plans and Oil Spill Contingency Plans. The ECY administers an oil spill preparedness, prevention, and response program. State law directs oil refineries, terminals, pipelines, other facilities, and vessel operators involved in the bulk transfer of oil to put in place oil spill contingency plans that outline containment and remediation responses to potential oil spills. Contingency plans approved by the ECY must identify personnel, materials, and equipment capable of promptly and properly removing oil with minimal environmental damage. Railroad cars are not considered facilities for purposes of state spill contingency planning, but railroads do complete certain oil spill response planning under federal law. Under federal and state spill planning statutes, the ECY also maintains geographic response plans to address potential spills in specific state water bodies. Geographic response plans provide guidance to responders in the event of a spill, and are developed by the ECY in partnership with various state and federal agencies.

In addition to, or as part of, state spill contingency plans, onshore facilities must submit oil spill prevention plans to the ECY. The ECY may only approve these plans if they incorporate measures providing for the best achievable protection of public health and the environment, which means that the plans must provide the highest level of protection through the best achievable technology and the most protective staffing levels, training procedures, and operational methods. Best achievable protection is also the standard established by the ECY rules that address operations of refineries, terminals, and other facilities.

Other Maritime Safety Provisions: Oil Tanker Tug Escorts and the Emergency Response Towing Vessel. Tug escorts can be a tool to assist vessels in distress that have lost control of their power or steering. State law requires oil tankers of greater than 40,000 deadweight tons entering Puget Sound to have one tug escort with a minimum horsepower equivalent to 5 percent of the deadweight tonnage of the vessel the tug is escorting. The Board of Pilotage Commissioners (Pilotage Commission) has adopted rules regarding the scope of vessels subject to oil tanker tug escort requirements. Violation of oil tanker escort requirements is a gross misdemeanor and may also trigger civil penalties of up to $10,000 per day. Civil penalties may be sought by a county prosecutor or the Washington Attorney General upon the request of the Pilotage Commission.

Certain oil-bearing vessels operating in the Strait of Juan de Fuca must file with the ECY evidence of an emergency-response system that provides for the operation of towing vessel capable of response to vessel oil spill

threats. The emergency-response vessel must be stationed at Neah Bay on the Olympic Peninsula.

Vessel operators are required to provide an advanced notice to the ECY that includes time, location, and volume information prior to certain transfers of oil involving a vessel.

The Puget Sound Partnership, with input from the ECY and other maritime stakeholders, has completed a vessel traffic risk assessment study of spill risks associated with the movement of vessels in Puget Sound under various scenarios.

Emergency Response Planning. The federal Emergency Planning and Community Right to Know Act (EPCRA) requires the state to establish a State Emergency Response Commission (SERC) to supervise and coordinate the work of local emergency response planning committees. The responsibilities of local committees include the development and maintenance of emergency response plans that identify the transportation routes of extremely hazardous substances. Within the State Military Department, the Governor-appointed Emergency Management Council acts as the SERC.

Barrel Tax and Uses of Oil Spill Prevention Account and Oil Spill Response Accounts. Crude oil and petroleum products that are transported by vessel on state waters are subject to an oil spill administration tax (administration tax) and an oil spill response tax (response tax) at the time of the product's initial receipt by a marine terminal. A credit is allowed against taxes imposed on oil that is initially received in Washington, but subsequently exported from the state.

The administration tax is 4 cents per 42-gallon barrel and is deposited in the Oil Spill Prevention Account (Prevention Account), while the response tax is 1 cent per barrel and is deposited in the Oil Spill Response Account (Response Account). If the Office of Financial Management determines that there is in excess of $9 million in the Response Account, then the 1 cent response tax is no longer levied until the Response Account balance falls below $8 million.

The Response Account is used for the costs associated with the response to oil spills into state waters that the ECY determines are likely to incur in excess of $50,000 in response costs. The Response Account is also for the emergency towing vessel stationed at Neah Bay. The Prevention Account is used for the administration and implementation of several ECY Oil Spill Program activities.

Utilities and Transportation Commission Regulation of Railroads. The UTC administers a railroad safety program. The activities of the program include:

- the approval of petitions to open, close, or reconfigure railroad crossings of public roads, except within cities of over 10,000 in population; and
- inspections of public road-railroad crossings to ensure state and federal standards are met.

In addition, UTC inspectors operate under delegated authority from the Federal Railroad Administration (FRA) to support the FRA oversight of railroad compliance with the FRA safety regulations. The UTC inspectors are restricted from conducting inspections at crossings between a private roadway and a railroad. The UTC inspectors are restricted, without accompaniment by a FRA inspector, from accessing private property for hazardous material transport inspections.

The UTC's railroad regulatory activities are funded by a fee on railroads set at 1.5 percent of a railroad's gross operating revenue from intrastate operations.

Summary: Oil Definition. "Oil" is redefined for purposes of oil spill prevention, cleanup, and financial responsibility laws to mean any kind of oil that is liquid at 25 degrees Celsius and 1 atmosphere of pressure, including any distillate of that oil. This definition also explicitly covers the following types of oil:

- bitumen;
- synthetic crude; and
- natural gas well condensate.

The definition of crude oil subject to the administration tax and the response tax is also amended to explicitly include crude oil, bitumen, diluted bitumen, synthetic crude oil, and natural gas well condensate.

Disclosure of Information about Oil Transportation. Facilities that receive oil from railroad cars must provide advanced notice to the ECY. The notice must include the route taken to the facility, the scheduled time, location, volume, gravity, and originating region of crude oil received. This advanced notice must be provided once per week to the ECY for the receipts scheduled for the following week.

Pipelines must report to the ECY twice per year on the volume of crude oil they transported through the state and the originating state or province of the oil. Pipeline reports due July 31 must contain crude oil transport information from January 1 to June 30, while pipeline reports due January 31 must contain oil transport data from July 1 to December 31.

The ECY may share this information with the EMD and with other government emergency response agencies. The ECY must also publish a quarterly report featuring information from the railroad receipt notices, including place of origin, mode of transport, number of railroad cars delivering oil, and the number and volume of spills during transport and delivery. Information in the quarterly report must be aggregated on a statewide basis by route, by week, and by type of oil.

Unaggregated individual notices of crude oil transfer submitted to the ECY that are financial, commercial, or proprietary in nature are exempt from public disclosure under the Public Records Act.

Financial Assurance Reports. Railroads that transport oil as bulk cargo must provide information to the UTC re-

garding their ability to pay for a reasonable worst-case spill of oil, an amount that is to be calculated by multiplying the reasonable anticipated per-barrel cleanup costs by the reasonable worst case spill volume. This information is to be provided to the UTC as part of railroad's annual report, and the UTC may not use this information to economically regulate or penalize a railroad.

Oil Spill Plans. Railroads must submit oil spill contingency plans to the ECY in the same manner as terminals, refineries, and other covered facilities. However, state-owned railroads are not subject to this requirement and railroads are not made subject to the oil spill prevention planning requirements placed on other facilities.

The best achievable protection standard, which is currently required in oil spill prevention planning and in vessels' contingency plans, is also applied to equipment incorporated into facilities' oil spill contingency plans. The ECY must periodically update the best achievable protection standard for oil spill contingency plan equipment in a manner that minimizes duplication and that is consistent with the updates to best achievable protection standards that apply to vessels.

By December 31, 2015, the ECY must submit to the Legislature a review of geographic response plans that have been completed under federal and state contingency planning requirements. In addition, in 2017, 2019, and 2021, the ECY must also submit a report to the Legislature on the state's progress towards completing geographic response plans. The ECY may hire independent contractors to ensure completion of at least half of needed statewide geographic response plans by December 1, 2017.

Oil Spill Prevention and Response Taxes and Accounts. The administration tax and response tax on oil received by vessels are levied on oil received by facilities from rail tank cars. A one-time transfer of $2.25 million is made from the Response Account to the Prevention Account by July 31, 2015.

The Response Account may be used to respond to spills or threatened spills of oil that the ECY anticipates will cost in excess of $1,000. The Response Account may also be used to compensate emergency towing by any tug vessel, in addition to the costs of the emergency response towing vessel stationed at Neah Bay.

Until June 30, 2019, the Prevention Account may be used for oil and hazardous material emergency response planning by local emergency response committees, which the Military Department may employ staff to support. The initial focus of planning must be on communities through which oil-bearing trains travel.

- Local committees must annually review their plans and submit them to the SERC every five years or whenever they are updated.
- The Military Department must report to the Governor and Legislature by March 1, 2018, on the progress of local emergency planning towards meeting EPCRA planning requirements.

Before spending money in the Prevention Account, but without delaying response activities, the ECY must make reasonable efforts to obtain response cost funding from responsible persons or other sources, including the federal government.

Oil-Bearing Vessel Maritime Safety Rules. The Pilotage Commission may adopt rules to require tug escorts and other safety measures in Grays Harbor that apply to oil tankers of greater than 40,000 deadweight tons, other towed vessels capable of transporting over 10,000 gallons of bulk petroleum, and articulated tug-barges of all sizes. The Pilotage Commission's authority to adopt tug escort and other maritime safety rules in Grays Harbor is contingent on a state agency or local government determining or issuing a final permit to site a facility in Grays Harbor that is required to hold a spill contingency plan, or approving or issuing a final permit to a facility to newly receive or process crude oil. Prior to rule-making for Grays Harbor, the Pilotage Commission must also collaborate with maritime professionals, the ECY, and public agencies.

The ECY must evaluate vessel traffic management and safety within and near the mouth of the Columbia River. A draft evaluation and assessment of vessel traffic management and safety, including tug escort requirements, escort tug capabilities, and best achievable protection, must be submitted to the Legislature by December 15, 2017, with a final report to be completed by June 30, 2018.

Utilities and Transportation Commission Rail Safety Program. The UTC regulatory fee for railroads is increased from 1.5 to up to 2.5 percent of railroads' gross intrastate operating revenues. However, regulatory fees for short-line railroads that do not haul bulk crude oil remain at a rate of 1.5 percent of gross intrastate operating revenues.

The UTC inspectors may enter private property to conduct hazardous materials inspections, investigations, and surveillance under the federal partnership that delegates inspection authority to state inspectors.

The UTC must adopt safety standards for private road crossings of railroad tracks used to transport crude oil. These safety standards must include signage requirements and UTC inspection and crossing improvement prioritization criteria. The UTC may inspect private crossings and order railroads to improve private crossings.

Cities of over 10,000 people may elect to participate in the UTC public road-railroad crossing safety inspection program. Cities of over 10,000 people must provide a list of existing public crossings to the UTC within 30 days of July 1, 2015 and must also notify the UTC within 30 days of the opening, closing, or modification of a crossing.

Other. The House Environment Committee and Senate Energy, Environment and Technology Committee

must hold one joint meeting before the start of the 2016 legislative session on oil spill prevention and response activities related to international crude oil transportation. The committees must invite representatives from certain governments and tribes affected by crude oil transportation, and must provide an update on marine transport of liquid bulk crude oil and associated risks, as well as cooperative prevention and response activities.

The ECY must provide grants to emergency responders for oil and hazardous materials spill response and firefighting equipment. To determine grant allocations, the ECY must consult with businesses and emergency responders to evaluate local coordinating efforts and current resources and equipment. Grants must be prioritized in areas with the greatest need for equipment, and to maximize the use of current equipment and resources.

The completion of certain activities under the bill are subject to appropriation, including the oil-bearing vessel evaluations to be completed for the Columbia River, the ECY grants for hazardous materials and oil spill response resources to emergency responders, and the UTC's development of private rail crossing safety standards.

Votes on Final Passage:

House	60	38	
Senate	28	21	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	95	1	(House concurred)

Effective: July 1, 2015

E2SHB 1450

C 250 L 15

Concerning involuntary outpatient mental health treatment.

By House Committee on Appropriations (originally sponsored by Representatives Jinkins, Rodne, Walkinshaw, Harris, Cody, Goodman, Senn, Walsh, Riccelli, Robinson, Orwall, Moeller, Gregerson, Van De Wege, Ormsby, Clibborn, McBride, Tharinger, Kagi and Stanford).

House Committee on Judiciary
House Committee on Appropriations
Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means

Background: Standards and Procedures for Involuntary Mental Health Treatment. Under the Involuntary Treatment Act (ITA) a person may be committed by a court for involuntary mental health treatment if he or she, due to a mental disorder, poses a likelihood of serious harm or is gravely disabled. "Likelihood of serious harm" means that a person poses a substantial risk of physical harm to self, others, or the property of others, as evidenced by certain behavior, or that a person has threatened the physical safety of another and has a history of one or more violent acts. "Grave disability" means that a person is in danger of serious physical harm due to a failure to provide for his or her own essential human needs, or that a person manifests a severe deterioration in routine functioning, evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions, and is not receiving the care essential for health or safety.

The commitment cycle begins with an initial evaluation period of up to 72 hours. Within the initial 72-hour evaluation period, the professional staff of the treatment facility providing the evaluation may petition the court to have the person committed for further mental health treatment. Following a hearing, if the person is found to pose a likelihood of serious harm or be gravely disabled, the court may order the person to be involuntarily committed for up to 14 days of additional treatment. Upon subsequent petitions and hearings, a court may order up to an additional 90 days of commitment, followed by successive terms of up to 180 days of commitment.

Less Restrictive Alternative Treatment. When entering an order for up to 14, 90, or 180 days of treatment, if the court finds that the person poses a likelihood of serious harm or is gravely disabled, but that treatment in a less restrictive alternative (LRA) than detention is in the best interest of the person or others, the court must order an appropriate less restrictive course of treatment rather than inpatient treatment. The Department of Social and Health Services (DSHS) contracts with regional support networks (RSNs) to administer community-based metal health services. Less restrictive alternative treatment is for up to 90 days if ordered instead of a 14- or 90-day inpatient order, and is for up to 180 days if ordered instead of a 180-day inpatient order. At the 180-day order stage, additional grounds exist under which a person may be committed for LRA treatment. These additional grounds do not require the petitioner to show that the person meets either the likelihood of serious harm or grave disability standard and only apply when the petition is for continued LRA treatment for someone currently committed under an LRA. The additional grounds for a petition for continued treatment under the LRA are that:

- the person has been involuntarily committed to detention for mental health treatment during the 36 months preceding the initial detention in the current commitment cycle, excluding any time spent in a mental health facility or in confinement as a result of a criminal conviction;
- the person is unlikely to voluntarily participate in outpatient treatment without an order for LRA treatment, in view of the person's treatment history or current behavior; and
- outpatient treatment that would be provided under an LRA order is necessary to prevent a relapse, decompensation, or deterioration that is likely to result in the person presenting a likelihood of serious harm or

the person becoming gravely disabled within a reasonably short period of time.

An LRA order may be modified or revoked if the person is failing to adhere to the terms and conditions of his or her release, is substantially deteriorating or decompensating, or poses a likelihood of serious harm.

Summary: Commitment Based on a Finding of "In Need of Assisted Outpatient Mental Health Treatment.". In addition to likelihood of serious harm and grave disability, a person may be committed for involuntary mental health treatment under the ITA if that person is "in need of assisted outpatient mental health treatment" (in need of AOT). Commitment for a 72-hour evaluation, if based solely on the person being in need of AOT, may only be for an outpatient evaluation. Similarly, commitment for further treatment, if based solely on the person being in need of AOT, may only be for an LRA order, and may not be for inpatient treatment.

A person is in need of AOT if the person, as a result of a mental disorder:

- has been involuntarily committed to detention for involuntary mental health treatment at least twice during the preceding 36 months, or, if currently committed, the person has been involuntarily committed to detention at least once during the 36 months preceding the initial detention in the current commitment cycle;
- is unlikely to voluntarily participate in outpatient treatment without an LRA order, in view of treatment history or current behavior;
- is unlikely to survive safely in the community without supervision;
- is likely to benefit from LRA treatment; and
- requires outpatient treatment that would be provided under an LRA order to prevent a relapse, decompensation, or deterioration that is likely to result in the person presenting a likelihood of serious harm or the person becoming gravely disabled within a reasonably short period of time.

The 36-month calculation excludes any time spent in a mental health facility or in confinement as a result of a criminal conviction.

An LRA order based on a person being in need of AOT must terminate early when, in the opinion of the professional person in charge of the LRA treatment provider: (1) the person is prepared to accept voluntary treatment; or (2) the outpatient treatment ordered is no longer necessary to prevent relapse, decompensation, or deterioration that is likely to result in the person presenting a likelihood of serious harm or the person becoming gravely disabled within a reasonably short period of time.

Less Restrictive Alternative Treatment. Less restrictive alternative treatment services and other requirements surrounding LRA orders are specified.

Less Restrictive Alternative Treatment Services. Less restrictive alternative treatment is a program of individualized treatment in a less restrictive setting that is administered by a provider licensed or certified to provide or coordinate the full scope of LRA services and who has agreed to assume responsibility. Less restrictive alternative treatment must include, at a minimum:

- assignment of a care coordinator;
- an intake evaluation with the LRA provider;
- a psychiatric evaluation;
- medication management;
- a schedule of regular contacts with the provider of LRA treatment services for the duration of the order;
- a transition plan addressing access to continued services at the expiration of the order; and
- an individual crisis plan.

Less restrictive alternative treatment may also include: psychotherapy, nursing, substance abuse counseling, residential treatment, and support for housing, benefits, education, and employment.

A petition for an LRA commitment must set forth a proposed plan for LRA services. In entering an LRA order, the court must identify the services the person committed to the LRA will receive. The court may order additional evaluation of the person if necessary to identify appropriate services.

Regional support network contracts must require the RSN to provide specified services to persons ordered by the court to LRA treatment who: (1) are enrolled in Medicaid and meet RSN access to care standards; or (2) are not enrolled in Medicaid and do not have other insurance to pay for services, if the RSN has adequate available resources to provide the services. Additionally, contracts must establish caseload guidelines for care coordinators and guidelines for response times during and immediately following periods of hospitalization or incarceration.

Duration of LRA Orders. When entering an LRA order for a person eligible for up to 180 days of involuntary mental health treatment, a court may enter an order for up to one year of treatment, rather than for up to 180 days, if the person's previous commitment term was for inpatient treatment in a state hospital. Subsequent orders are for up to 180 days.

Enforcement of LRA Orders and Early Release. Facilities and agencies overseeing treatment and designated mental health professionals (DMHPs) are authorized to take responsive actions to enforce compliance with an LRA or conditional release order. Responsive actions may include, but are not limited to:

- counseling, advising, or admonishing the person as to their rights and responsibilities under the order and offering compliance incentives;
- increasing the intensity of services through more frequent provider contacts, referral for assessment for assertive community services, or by other means;

- requesting a court hearing for review and modification of the order;
- causing the person to be transported by a peace officer, DMHP, or other means to the facility providing services or to another facility for up to 12 hours to determine whether modification, revocation, or commitment proceedings are appropriate. Detention is intended to occur only after a pattern of noncompliance or failure of reasonable attempts at engagement and is only permitted upon a clinical determination that temporary detention is appropriate; and
- initiating revocation proceedings.

In deciding whether to initiate modification or revocation of an LRA, a DMHP or overseeing facility or agency must consider relevant information from credible witnesses, including family and others with significant contact and history of involvement with the person. Additionally, the court must consider the person's symptoms and behavior in light of all available evidence concerning the person's historical behavior. If inpatient treatment is sought for a person committed to an LRA based on a finding of in need of AOT, the inpatient treatment must be initiated under a new petition for involuntary treatment.

Votes on Final Passage:

House	90	8	
Senate	48	1	(Senate amended)
House	86	9	(House concurred)

Effective: July 24, 2015
April 1, 2016 (Sections 2, 15, and 19)

E2SHB 1471

C 251 L 15

Mitigating barriers to patient access to care resulting from health insurance contracting practices.

By House Committee on Appropriations (originally sponsored by Representatives Cody, Schmick, Harris, Van De Wege, DeBolt, Hurst, Kretz, Moeller, Jinkins and Tharinger).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health Care

Background: Health carriers may enter into contracts with health care providers under which the providers agree to accept a specified reimbursement rate for their services. Health carriers may require prior authorization for certain health procedures. Prior authorization is the requirement that a health care provider seek approval of a drug, procedure, or test before seeking reimbursement from a health carrier. A health carrier may not retrospectively deny coverage for care that had prior authorization unless the prior authorization was based upon a material misrepresentation by the provider.

A health carrier may not require a provider to extend the carrier's Medicaid rates, or some percentage above the carrier's Medicaid rates, to a commercial plan or line of business, unless the provider has expressly agreed in writing to the extension. The requirement that the provider expressly agree to the extension does not prohibit the carrier from using its Medicaid rates, or some percentage above its Medicaid rates, as a base when negotiating payment rates with a provider.

A health carrier must provide at least 60 days' notice to a health care provider of any proposed material amendments to the provider's contract. A material amendment is an amendment to a contract that would result in requiring the provider to participate in a health plan, product, or line of business with a lower fee schedule in order to continue to participate in a health plan, product, or line of business with a higher fee schedule. During the 60-day period, the provider may reject the material amendment without affecting the terms of the existing contract. The material amendment must be clearly defined in a notice to the provider before the notice period begins. The notice must inform the provider that he or she may choose to reject the terms of the material amendment through written or electronic means at any time during the notice period and that such rejection will not affect the terms of the existing contract. The health carrier's failure to comply with the notice requirements voids the effectiveness of the material amendment.

Summary: A health carrier or a health plan offered to public employees may not require prior authorization for an evaluation and management visit or an initial treatment visit with a contracting provider in a new episode of chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies. This prohibition does not affect the ability of a health plan to require a referral or prescription for these therapies. A "new episode of care" means treatment for a new or recurrent condition for which the enrollee has not been treated by the provider within the previous 90 days and is not currently undergoing any active treatment. A contracting provider does not include a provider employed within an integrated delivery system.

A health carrier or a health plan offered to public employees may not require a provider to provide a discount from his or her usual and customary rates for non-covered services.

The health carrier or health plan offered to public employees must post on its website (or the Health Care Authority's website for health plans offered to public employees), and disclose upon request, the prior authorization standards, criteria, and information used for medical necessity decisions.

A health carrier or health plan offered to public employees that imposes different prior authorization standards and criteria for a covered service among tiers of contracting providers of the same licensed profession in

the same health plan must inform an enrollee which tier an individual provider or group of providers is in. The health carrier or health plan offered to public employees must make this disclosure by posting the information on its website in a manner accessible to both enrollees and providers.

A provider with whom the carrier or administrator of the health plan offered to public employees consults regarding decisions to deny, limit, or terminate a person's coverage must hold a license, certification, or registration in good standing and must be in the same or related field as the health care provider being reviewed or be a specialist whose practice entails the same or similar covered health care service.

Votes on Final Passage:

House	82	16	
Senate	47	2	(Senate amended)
House	95	0	(House concurred)

Effective: January 1, 2017

SHB 1480

C 200 L 15

Concerning intermittent-use trailers.

By House Committee on Transportation (originally sponsored by Representatives Holy, Riccelli, Orcutt, Haler, Shea, Johnson, Clibborn, Ormsby, Condotta, Tharinger and McCaslin).

House Committee on Transportation
Senate Committee on Transportation

Background: There are different types of trailers registered in the State of Washington that are subject to various fees based on weight and the purpose for which the trailer is used. Generally, all vehicles that are operated on public highways, including trailers, are subject to vehicle registration, annual registration renewal, various taxes and fees due at registration and registration renewal, and license plate replacement when a trailer changes ownership.

In addition to other taxes and fees that are due annually, a single-axle trailer that is used for private noncommercial use has an initial registration and annual renewal fee of $15. This fee is distributed as follows: 22.36 percent to the State Patrol Highway Account; 1.375 percent to the Puget Sound Ferry Operations Account; 5.237 percent to the Nickel Account; 11.533 percent to the Transportation Partnership Account; and 59.495 percent to the Motor Vehicle Fund.

In addition to other taxes and fees that are normally due annually, trailers that are over 2,000 pounds and travel trailers have an initial registration and renewal fee of $30. Of each initial or renewal vehicle license fee: $20.35 must be deposited in the State Patrol Highway Account; $2.02 of each initial vehicle license fee to the Puget Sound Ferry Operations Account; 93 cents of each renewal vehicle license fee must be deposited in the Puget Sound Ferry Operations Account; and the remaining proceeds must be deposited to the Motor Vehicle Fund.

The majority of the trailers pay a license plate technology fee of 25 cents and a license service fee of 50 cents at the time of initial and renewal registrations. A boat trailer registration has a $3 aquatic weed fee, which is deposited in the Aquatic Weeds Account. A recreational trailer has a $3 recreational vehicle sanitary-disposal fee, which is deposited into the Recreational Vehicle Account.

According to the Department of Licensing (DOL), in fiscal year 2014 there were 547,870 private-use trailers, and 86,544 within that number were private-use trailers over 2,000 pounds that paid a $30 registration fee.

A registered owner of a vehicle that is at least 30 years old may apply for a collector license plate. The collector vehicle must be operated primarily as a collector vehicle that is used in club activities, exhibitions, tours, parades, and occasional pleasure driving. Collector plates are valid for the life of the vehicle.

Summary: The registered owner of a trailer that has a scale weight of 2,000 pounds or less and is used only for intermittent personal use may apply for a permanent license tab and registration for a fee of $187.50. An "intermittent-use trailer" means a trailer in good working order that is used only for participation in club activities, exhibitions, tours, parades, and occasional pleasure use. "Occasional pleasure use" means use of a trailer that is not generally or daily, but seasonally or sporadically, and not more than once a week on average. An intermittent-use trailer cannot be held for rent to the public or used for commercial or business purposes.

The applicant must purchase an initial registration for the intermittent-use trailer and pay the special license plate fee of $187.50. An intermittent-use trailer is exempt from registration renewals. The license plate with the intermittent tab must be displayed on the rear of the trailer.

In lieu of displaying a standard-issue license plate, the applicant may apply to display an actual Washington-issued license plate designated for general use in the year of the intermittent use trailer's manufacture.

If the owner of the trailer sells, transfers, or conveys the trailer to another person or entity, the license plate with the intermittent tab must be removed prior to the transfer to the new owner and the new owner must obtain a new registration and appropriate license plate.

A person that is in violation of the intermittent-use trailer license tab statutes is subject to a traffic infraction of a maximum fine of $150 including all other assessments and fees.

An intermittent-use license tab is not allowed to be on a personalized plate or be on a special license plate for persons with disabilities.

Travel trailers that are at least 30 years old are eligible vehicles to use a collector vehicle license plate.

The $187.50 is distributed as follows: $20.35 to the State Patrol Highway Account; $2.02 of each initial fee to the Puget Sound Ferry Operations Account; and the remainder to the Motor Vehicle Fund.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House	96	0	(House concurred)

Effective: January 1, 2017

E2SHB 1485

C 252 L 15

Concerning family medicine residencies in health professional shortage areas.

By House Committee on Appropriations (originally sponsored by Representatives Haler, Cody, Schmick, Shea, Zeiger, Tarleton, Tharinger and Riccelli).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health Care

Background: The Family Medicine Residency Network. The Family Medicine Residency Network (FMRN) was established in 1975 to help train resident physicians in family medicine. The FMRN provides financial support to residents in programs affiliated with the University of Washington (UW) School of Medicine and establishes positions for appropriate faculty to staff the programs. The Dean of the UW School of must implement the development and expansion of residency programs in cooperation with the medical profession, hospitals, and clinics located throughout Washington.

The Chair of the Department of Family Medicine at the UW School of Medicine determines where affiliated programs exist, giving consideration to communities in the state where the population, hospital facilities, number of physicians, and interest in medical education indicate the potential success of the residency program.

The amount of state funding for a residency program is limited to no more than 50 percent of the total cost of the program. No more than 25 percent of the state funding may be used for faculty and staff at the UW School of Medicine associated with affiliated residency programs. No funds may be used to subsidize the costs of patient care.

The Family Practice Education Advisory Board. In 1975 the Family Practice Education Advisory Board (FPEAB) was created to advise the UW School of Medicine in the implementation of the FMRN, including the selection of areas where affiliated residency programs will exist, the allocation of state funds, and procedures for review and evaluation of the programs. The FPEAB consisted of the following eight members:

- the Dean of the UW School of Medicine (who served as chair);
- the Chair of the Department of Family Medicine;
- two public members appointed by the Governor;
- a member appointed by the Washington State Medical Association;
- a member appointed by the Washington State Academy of Family Physicians;
- a hospital administrator appointed by the Governor; and
- a director representing the directors of community-based family practice residency programs, appointed by the Governor.

The Dean of the UW School of Medicine and the Chair of the Department of Family Medicine were permanent members of the FPEAB. The remaining initial members of the FPEAB were appointed to staggered terms. Subsequent members served four-year terms and could serve two consecutive terms.

The FPEAB was eliminated in 2010, but continues to meet informally.

The Health Professional Loan Repayment Program. The Health Professional Loan Repayment Program provides conditional scholarships and loan repayment to health professionals working in shortage areas. To be eligible, a professional must commit to providing primary care in a shortage area for at least two years.

Collection of Demographic Information from Physicians and Physician Assistants. The Medical Quality Assurance Commission (MQAC) must request physicians and physician assistants to submit information about their current professional practice at the time of license renewal. This information may include practice setting, medical specialty, board certification, or other relevant data determined by the MQAC. Physicians and physician assistants are not required to submit the information as a condition of license renewal.

Summary: The Legislature states its intent to increase the number of family medicine physicians in shortage areas by providing a fiscal incentive for hospitals and clinics to develop or expand residency programs. The Legislature also states its intent to encourage family medicine residents to work in shortage areas by funding the Health Professional Loan Repayment and Scholarship Program.

The medical schools administering the FMRN are expanded to include the Pacific Northwest University of Health Sciences and any other medical school accredited by the Liaison Committee of Medical Education or the Commission on Osteopathic College Accreditation that locates its entire four-year medical program in Washington. The schools of medicine must support the development of high-quality, accredited, affiliated residency programs and must prioritize support for health professional shortage areas. The schools of medicine must also coordinate with the Office of Student Financial Assistance

to notify prospective family medicine students and residents of their eligibility for the Health Professional Loan Repayment Program. No more than 10 percent of the state funding for the FMRN may be used for administrative or overhead costs. The FMRN, in collaboration with the schools of medicine, must administer the state funds appropriated for the program.

Each family medicine residency program must annually report the following information to the Department of Health (DOH):

- the location of the residency program and whether the program, or any portion of the program, is located in a health professional shortage area;
- the number of residents in the program and the number who attended an in-state versus an out-of-state medical school; and
- the number of graduates of the residency program who work within health professional shortage areas.

The DOH must aggregate the information received from the family medicine programs and report it to the Legislature every two years beginning November 1, 2016. The report must include information on how the geographic distribution of residency programs changes over time and, if the information is readily available, a comparison of the number of residents in family medicine versus specialty areas.

The FPEAB is re-established and re-named the Family Medicine Education Advisory Board (FMEAB). The FMEAB must consider and make recommendations on the selection of areas where affiliated residency programs will exist, the allocation of state funds, and procedures for review and evaluation of the programs. The FMEAB consists of the following members:

- one member of the House of Representatives appointed by the Speaker of the House;
- one member of the Senate appointed by the President of the Senate;
- one member appointed by each of the deans of the schools of medicine participating in the FMRN (who serve as co-chairs);
- two citizen members, one from east of the Cascade Mountains and one from west of the Cascade Mountains, appointed by the Governor;
- a member appointed by the Washington State Medical Association;
- a member appointed by the Washington Osteopathic Medical Association;
- a member appointed by the Washington State Academy of Family Physicians;
- a hospital administrator appointed by the Washington State Hospital Association; and
- a director representing the directors of community-based family practice residency programs, appointed by the FMRN.

The persons appointed by the deans of the schools of medicine are permanent members of the FMEAB. The remaining initial members of the FMEAB are appointed to staggered terms. Subsequent members serve four-year terms and may serve two consecutive terms.

The Board of Osteopathic Medicine and Surgery (BOMS) must request physicians and physician assistants to submit information about their current professional practice at the time of license renewal. This information may include practice setting, medical specialty, board certification, or other relevant data determined by the BOMS. Physicians and physician assistants must submit requested demographic information to the MQAC. Osteopathic physicians and osteopathic physician assistants must submit requested demographic information to the BOMS.

Votes on Final Passage:

House	98	0	
Senate	44	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 24, 2015

2E2SHB 1491

C 7 L 15 E 3

Improving quality in the early care and education system.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Walsh, Hunter, Johnson, Ormsby, MacEwen, Senn, Magendanz, Farrell, Hayes, Ortiz-Self, Hudgins, Appleton, Fitzgibbon, S. Hunt, Ryu, Jinkins, Bergquist, Goodman, Tharinger and Riccelli).

House Committee on Early Learning & Human Services
House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Early Achievers Program. In 2007 the quality rating and improvement system for the early care and education system in Washington was created, called Early Achievers. The Early Achievers program establishes a common set of expectations and standards that define, measure, and improve the quality of early learning and child care settings. The Department of Early Learning (DEL) completed statewide implementation of the Early Achievers program in July 2013.

There are five levels in the Early Achievers program. Licensed or certified child care programs enter the program at level 1. Participants advance to level 2 when they officially enroll in the Early Achievers program. At level 2, participants are required to complete several activities such as a self-assessment and trainings. For levels 3-5 participants are evaluated and earn points in the following areas: child outcomes; facility curriculum and learning environment and interaction; professional development and training; and family engagement and partnership. At levels 3, 4, and 5, Early Achievers program participants

are evaluated and assigned a rating. The Early Achievers program provides participants with coaching, training opportunities, professional development scholarships and grants, technical assistance, and consultation.

Working Connections Child Care. The Working Connections Child Care (WCCC) program offers subsidies to child care providers serving families at or below 200 percent of the federal poverty level. The state pays part of the cost of child care. The parents or caregivers are responsible for making a copayment to the child care provider. Both child care centers and family home providers are able to receive WCCC subsidy payments. Children of families receiving the WCCC benefits are required to be less than 13 years of age or less than 19 years of age and have a verified special need or be under court supervision. The DEL sets child care subsidy policy and provides the WCCC program oversight for child care licensing. The Department of Social and Health Services helps families apply for WCCC, determines eligibility and parent or caregiver copayments, authorizes child care, and issues payment to providers.

Early Childhood Education and Assistance Program. The Early Childhood Education and Assistance Program (ECEAP) is the Washington State Preschool Program. The ECEAP serves families at or below 110 percent of the federal poverty level. Although the ECEAP prioritizes children who are 4 years old, children who are 3 years old are also eligible for the program. In addition to preschool programming, the ECEAP provides family support and health services. The stated goal of the ECEAP is to help ensure children enter kindergarten ready to succeed. Approved ECEAPs receive state-funded support through the DEL. Public or private nonsectarian organizations, including but not limited to, school districts, community and technical colleges, local governments, and nonprofit organizations, are eligible to participate as an ECEAP provider. In 2010, the funding program was implemented that allows for phased in implementation of the ECEAP, with full statewide implementation to be achieved in the 2018-19 school year.

In 2013 an outline for the expansion of the ECEAP through the 2013-15 biennium was enacted. The ECEAP expansion is subject to amounts appropriated, and required the DEL to develop an ECEAP expansion plan by September 30, 2013. In addition, the Washington State Institute for Public Policy (WSIPP) was required to complete a meta-analysis and retrospective outcome evaluation of the ECEAP. The meta-analysis was provided to the Legislature in January 2014 and the outcome evaluation was provided to the Legislature in December 2014. The outcome evaluation found that the ECEAP has a positive impact on third, fourth, and fifth grade test scores.

Early Learning Advisory Council. In 2007 the Early Learning Advisory Council (ELAC) was created to advise the DEL on statewide early learning needs and progress. In 2010 the ELAC delivered a statewide early learning plan. Following the completion of the statewide early learning plan, the role of the ELAC was revised to advise the DEL on issues that would build a comprehensive system of quality early learning programs and services for Washington's children and families by assessing needs and the availability of services, aligning resources, developing plans for data collection, developing plans for professional development of early childhood educators, and establishing key performance measures.

Summary: Early Achievers Program. The Early Achievers program provides a foundation of quality for the early care and education system in Washington. The DEL is authorized to require all licensed or certified child care centers and homes, and early learning programs serving non-school age children and receiving state funds, to participate in the Early Achievers program. However, the DEL must accept nationally accredited programs with standards that meet or exceed the Early Achievers program standards as a qualification for Early Achievers program ratings. The stated objectives for the Early Achievers program include:

- improving short- and long-term educational outcomes for children;
- providing parents clear and accessible information on the quality of early learning programs;
- increasing school readiness;
- closing the disparities in access to quality care;
- providing professional development and coaching; and
- establishing a common set of expectations and standards that define, measure, and improve the quality of early learning.

There are five levels in the Early Achievers program. Participants are expected to actively engage and continually advance in the program. By August 1, 2015, the DEL must publish on its website Early Achievers program rating levels for child care programs that receive a state subsidy, the ECEAP, and Head Start programs in Washington. The rating levels must be published in a manner that is easily accessible to parents and caregivers and takes into account their linguistic needs. Tribal child care facilities and early learning programs may choose to be exempt from posting their rating on the DEL website if they provide proper notification to parents and guardians on the availability of their program rating. Additionally, the DEL is required to create a single source of information for parents and caregivers to access details on a provider's rating level, licensing history, and other indicators of quality and safety that will help parents and caregivers make informed choices.

The DEL must create a professional development pathway for the Early Achievers program participants to obtain a high school diploma or higher education credential in an academic field related to early care and education. The professional development pathway must include

opportunities for scholarships and grants to assist the Early Achievers program participants with the costs associated with obtaining an educational degree. The DEL must also, in collaboration with tribal governments and community and statewide partners, implement protocols to maximize and encourage participation in the Early Achievers program for culturally diverse and low-income providers.

DEL Licensing Standards. By November 1, 2016, the DEL must implement a single set of health and safety licensing standards for child care and preschool programs. The DEL must streamline and eliminate duplication between the Early Achievers program standards and the newly developed health and safety standards. Private schools that operate early learning programs and do not receive state subsidy payments must be subject only to the health and safety licensing standards. Additionally, the DEL must exempt before- and after-school programs that serve only school-age children and operate in the same facilities used by public or private schools from facility-based licensing standards.

Early Achievers Program: Data Collection & Evaluation. The Education Data Center (EDC) must collect longitudinal, student-level data on all children attending an ECEAP provider. Upon completion of an electronic attendance system, the EDC must also collect longitudinal, student-level data on all children attending a WCCC program. The DEL, in collaboration with the statewide child care resource and referral organization, and the Early Achievers Review Subcommittee (Subcommittee) must develop an annual progress report regarding providers' progress in the Early Achievers program. Additionally, the WSIPP must conduct an analysis that examines relationships between the Early Achievers program quality rating levels and outcomes for participating children. The stated purpose of the data collection and evaluation is to improve the educational outcomes for young learners in response to Early Achievers longitudinal data.

A legislative Early Achievers Joint Select Committee (Committee) is created to review the demand and availability of child care providers, early learning programs, and family, friend, and neighbor caregivers by geographic region. By December 1, 2018, the Committee must provide recommendations on the sufficiency of funding for the Early Achievers program, the need for targeted funding for specific geographic regions or major ethnic populations, and whether to modify the deadlines for the Early Achievers program mandate.

Working Connections Child Care. The DEL must establish and implement policies in the WCCC program that promote stability, quality, and continuity of care for children from low-income households. Effective January 1, 2016, unless an earlier date is provided in the budget, authorizations for the WCCC program must be effective for a 12-month enrollment period, and the child may not be deemed ineligible due to a change in circumstance. An existing WCCC provider serving non-school age children must enroll in the Early Achievers program by August 1, 2016, complete level 2 activities by August 1, 2017, and rate at a level 3 or higher by December 31, 2019. Effective July 1, 2016, a new WCCC provider serving non-school age children must enroll in the Early Achievers program within 30 days, complete level 2 activities within 12 months of enrollment, and rate at a level 3 or higher within 30 months of enrollment. If a WCCC provider fails to rate at a level 3 or higher by the required deadline, the provider must complete remedial activities with the DEL and rate at a level 3 or higher within six months. Additionally, the DEL must implement tiered reimbursement for the Early Achievers program participants in the WCCC program rating at a level 3 or higher.

Early Childhood Education and Assistance Program. An existing ECEAP provider must enroll in the Early Achievers program by October 1, 2015, and rate at a level 4 or higher by March 1, 2016. Effective October 1, 2015, a new ECEAP provider must enroll in the Early Achievers program within 30 days and rate at a level 4 or higher within 12 months of enrollment. If an ECEAP provider fails to rate at a level 4 or higher by the required deadline, the provider must complete remedial activities with the DEL and rate at a level 4 or higher within six months. Beginning in the 2015-16 school year, the DEL must prioritize ECEAP providers located in low-income neighborhoods within high-need geographical areas. Additionally, the full statewide implementation of the ECEAP must be achieved by the 2020-21 school year.

Early Learning Advisory Council. The ELAC must convene the Subcommittee to provide feedback and guidance on strategies to improve the quality of instruction and environment for early learning and provide input and recommendations on the implementation and refinement of the Early Achievers program. The DEL must consult with the Subcommittee on all substantial policy changes to the Early Achievers program. The Subcommittee must include representatives from diverse cultural and linguistic backgrounds and representatives who work in a variety of early learning settings.

Votes on Final Passage:

House	67	31	
Senate	33	11	(Senate amended)

First Special Session

House	64	31	

Third Special Session

House	65	32	
Senate	38	7	

Effective: October 9, 2015
July 1, 2016 (Section 4)

SHB 1496
C 137 L 15

Addressing vocational rehabilitation by making certain recommendations from the vocational rehabilitation subcommittee permanent and creating certain incentives for employers to employ injured workers with permanent disabilities.

By House Committee on Labor (originally sponsored by Representatives Sells, Gregerson and Ormsby; by request of Department of Labor & Industries).

House Committee on Labor
House Committee on Appropriations
Senate Committee on Commerce & Labor

Background: Vocational Rehabilitation. One of the primary purposes of the Industrial Insurance Act is to enable injured workers to become employable at gainful employment. The Department of Labor and Industries (Department) pays, or directs self-insurers to pay, the costs of vocational rehabilitation services when these services are necessary and likely to enable the injured worker to become employable at gainful employment.

In 2007 a pilot program was created for improving vocational rehabilitation. Some of the significant provisions of the pilot program include:

- establishing time frames for the Department to approve vocational rehabilitation plans and establishing accountability requirements for injured workers;
- increasing benefits for training and other costs, such as books, tuition, and tools (originally starting at $12,000, the benefits are adjusted based on changes in tuition at the state community colleges, and is currently $17,599);
- allowing a vocational rehabilitation plan to last up to two years;
- giving eligible workers an option to receive funds equal to six months of time-loss benefits to pursue self-directed training (called Option 2);
- placing vocational professionals at pilot WorkSource locations for job placement services.

The pilot program also created a vocational rehabilitation subcommittee to provide recommendations to the Department and the Legislature. The pilot program expires on June 30, 2016.

Preferred Worker Program. The Preferred Worker Program (PWP) provides financial incentives to employers who hire workers that have been injured in previous employment. The worker must first be certified by the Department as a "preferred worker." An employer hiring a preferred worker does not pay Accident Fund or Medical Aid premiums on the preferred worker for as long as the worker is a certified "preferred worker" (which may not be more than 36 months). If the worker is injured on the job during the worker's certification period, the employer is not liable for the costs of the new claim and it will not affect the employer's experience rating.

Stay at Work. While the PWP provides benefits for subsequent employers of injured workers, the Stay at Work program provides financial incentives for employers to keep an injured worker on the job with the same employer. The Stay at Work program includes benefits, such as:

- reimbursement to an the employer for 50 percent of the employee's base wages up to 66 days, not to exceed $10,000 per claim within a 24-month period;
- funds for training, instruction, or materials, such as books, up to $1,000 per claim;
- funds for tools, up to $2,500 per claim; and
- funds for clothing, up to $400 per claim.

Summary: The vocational rehabilitation pilot program is modified and made permanent. Workers choosing Option 2 are provided an amount equal to nine months of temporary total disability compensation, rather than six months. Up to 10 percent of the worker's Option 2 funds may be used for vocational counseling and job placement services.

The total amount allowed for an individual worker's vocational plan may not exceed $17,500, and the annual adjustment based on the average percentage change in community college tuition may not exceed 2 percent per year, with certain exceptions.

To encourage the employment of workers who have suffered permanent disability financial benefits similar to those in the Preferred Worker Program and Stay at Work Program are available to employers, including the employer of injury, who employ injured workers receiving vocational services. In addition, a one-time payment equal to 10 percent of the worker's wages or $10,000, whichever is less, is available if the employer provides continuous employment to the worker without a reduction in the worker's base wages for at least 12 months. The financial benefits are available at the sole discretion of the Department.

The benefits are available to state fund employers and available to a self-insured employer only in cases where the worker was employed by a state fund employer at the time of injury.

Other changes are made to the vocational rehabilitation program. For example, the Department must partner with the private vocational rehabilitation community, as well as with WorkSource, in a program to refer workers to vocational professionals. In addition, consequences of a worker failing to abide by an accountability agreement, include suspending the worker's opportunity to demonstrate good cause for refusing to submit to an examination, evaluation, treatment, or practice.

A vocational rehabilitation advisory committee is created. The Department must conduct a study to determine the impact on return-to-work outcomes, long-term disabil-

ity, and claim costs. The Department must report back to the appropriate committees of the Legislature by December 1, 2018.

The Department may adopt rules governing the eligibility for and admission of benefits available under the vocational rehabilitation program.

Votes on Final Passage:

House	98	0
Senate	46	0

Effective: July 24, 2015

SHB 1503

C 201 L 15

Concerning medical liens.

By House Committee on Judiciary (originally sponsored by Representatives Jinkins, Ryu, Tharinger, DeBolt, Senn, Robinson, Harris, Cody, Riccelli, Walsh, Sawyer and Moeller).

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Medical Liens. A lien is a form of security interest over real or personal property to secure the payment of a debt. Liens can be voluntary, such as mortgages, or involuntary, such as tax liens or mechanics' liens. Liens authorized by statute include mechanics' and materialmen's liens, crop liens, liens for attorneys' fees, landlord's liens, and liens for doctor, nurse, hospital, and ambulance services.

Every physician, surgeon, nurse, and practitioner who renders service to a person who has received a traumatic injury is entitled to a lien upon any claim, right of action, or money to which the injured person may be entitled against any tortfeasor for the value of the services rendered. To be entitled to a medical lien, a claimant must file a record with the county auditor either within 20 days after the date of injury or receipt of care or, if settlement has not been made to the injured person, then at any time before settlement and payment.

Collection Agencies. Collection agencies must be licensed by the Department of Licensing. Collection agencies must maintain records of their accounts and are required to file a surety bond or a cash deposit to ensure that they will faithfully and truly perform their duties. Collection agencies are also prohibited from certain acts, including:

- aiding an unlicensed person in engaging in business as a collection agency;
- collecting or attempting to collect a claim by the use of any means contrary to the postal laws and regulations of the United States Postal Department;
- publishing or threatening to publish any list of debtors; and
- calling or sending a text message or other electronic communication to a cellular telephone or other wireless device more than twice in any day when the licensee knows or reasonably should know that the number belongs to a cellular telephone or other wireless device.

Any person who knowingly operates as, or knowingly aids and abets, a collection agency without a license is punishable by a fine not exceeding $500, by imprisonment not exceeding one year, or both, and must return moneys collected to the owners of the accounts on which the moneys were paid. Violation of certain provisions, including prohibited acts, is also deemed an unfair act or practice or unfair method of competition in the conduct of trade or commerce for the purpose of applying the Consumer Protection Act.

Summary: Any person who seeks a medical lien must: (1) in any attempt to enforce the lien, either enforce the lien on his or her own behalf or use a licensed collection agency; and (2) disclose his or her use of medical liens as part of his or her billing and collection practices. A person seeking to enforce a medical lien, other than the person originally entitled to the lien, is added to the definition of "collection agency."

A claimant or his or her assignee must prepare and execute a release of all lien rights for which payment has been made and deliver the release to the patient no more than 30 days after payment or settlement and acceptance of the amount due. If a court finds that the deliverance of the release is unjustifiably delayed, then it must order deliverance of the release and award the costs of the action and any damages.

Votes on Final Passage:

House	97	1	
Senate	49	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 24, 2015

SHB 1516

C 151 L 15

Providing an exemption for certain lodging services from the convention and trade center tax.

By House Committee on Finance (originally sponsored by Representatives Pettigrew, Santos, Magendanz, Condotta, Fitzgibbon and Ormsby).

House Committee on Finance
Senate Committee on Ways & Means

Background: Hotel-Motel Taxes. "Hotel-Motel" taxes 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. These taxes only apply when a lodging unit is used for a contin-

uous period of less than one month (longer use is considered a rental of real property, rather than a "license" to use the property).

Convention and Trade Center Tax. A local "convention center" tax applies to lodging within King County. The convention center tax was first effective on April 1, 1982. The tax is imposed by a King County Public Facilities District (PFD). This special sales and use tax applies only to the sale of lodging in hotels, motels, and similar facilities in King County with at least 60 units. The tax rate is 7 percent within the city of Seattle and 2.8 percent throughout the remainder of King County. In addition, the PFD may impose a 2 percent lodging tax on facilities with at least 60 units in Seattle that is credited against the state sales tax rate.

The convention center tax is in addition to the retail sales tax. Thus, the combined tax rate for hotels and motels with 60 or more units within Seattle is presently 15.6 percent.

Hostel. A hostel is a budget-oriented, shared-room accommodation that accepts individual travelers or groups for short-term stays, and that provides common areas and communal facilities. However, many hostels also provide some private rooms. In general, hostels are small with less than 60 units, shared or individual, but hostels can be similar in size to hotels.

Summary: Hostels that primarily sell lodging services on an individual bed, shared room basis are exempt from the convention and trade center tax. In addition, the King County PFD is no longer authorized to levy the state-shared hotel motel tax on sales of lodging at a hostel.

Votes on Final Passage:

House	97	0
Senate	47	2

Effective: August 1, 2015

SHB 1527

C 184 L 15

Requiring the Washington state department of agriculture to approve the comparable recertification standards of private entities for the purposes of waiving the recertification requirements under the Washington pesticide control act.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Dent, Blake, Buys and Van De Wege).

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

Background: The Washington Pesticide Control Act (Act) is administered by the Washington State Department of Agriculture (WSDA). The Act requires that pesticides distributed or transported within the state be registered with the WSDA and the Act imposes various license requirements related to working with pesticides.

Types of Licenses Issued Pursuant to the Act. The following licenses are available under the Act:

- *Pesticide dealer license*: A license is required to act in the capacity of a pesticide dealer or advertise as or assume to act as a pesticide dealer. Pesticide dealers are people who distribute certain toxic pesticides.
- *Pesticide dealer manager license*: Any licensed pesticide dealer must be managed by a licensed pesticide dealer manager. A pesticide dealer manager is the owner or supervisor of a pesticide distribution outlet holding a pesticide dealer license. Qualifications include having knowledge of pesticide laws and rules, pesticide hazards, and the safe distribution, use, application, and disposal of pesticides, as demonstrated by passing a written examination.
- *Structural pest inspector license*: Structural pest inspectors conduct wood-destroying-organism inspections. Qualifications for a license include having knowledge of applicable laws and regulations, structural pest identification and damage, and conditions conductive to the development of wood destroying organisms, as demonstrated by passing a written examination.
- *Pest control consultant license*: Pest control consultants offer or provide technical advice or recommendations to users of certain toxic pesticides, except pesticides for home and garden use. Qualifications include having knowledge of pesticide laws and regulations, pesticide hazards, and the safe distribution, use, application, and disposal of pesticides, as demonstrated by passing a written examination.
- *Public pest control consultant license*: A license is required of any person who is employed by a governmental agency or unit to act as a pest control consultant.

Renewal of Licenses. The WSDA may renew any license issued pursuant to the Act subject to recertification requirements. Every five years licensees must demonstrate that they meet the recertification standards to qualify for continuing licensure. Licensees must earn 40 recertification credits every five years or retake the examination. Recertification credits are earned by attending WSDA-approved courses.

However, at the end of a licensee's five-year recertification period, the WSDA may waive the recertification requirements if the licensee demonstrates that the licensee is meeting comparable recertification standards through another state or jurisdiction or a government agency plan that the federal Environmental Protection Agency has approved.

Summary: The Washington State Department of Agriculture (WSDA) must waive the recertification requirement

at the end of a licensee's five-year recertification period if the licensee demonstrates that the licensee meets comparable recertification standards through a private entity that the WSDA has approved. The WSDA is required to confer with private entities offering continuing education programs that include pest management credit accreditation and accumulation to develop an effective and efficient system to coordinate pest management credit accounting. The pest management credit accounting system must be consistent with the goals and other requirements of the WSDA's pesticide license recertification programs. If the WSDA and the private entities agree on the system's substantive provisions, the WSDA must develop an implementation strategy for private entities pursuing pesticide credit reciprocity. The WSDA must submit a report to the Legislature by December 31, 2015, on the collaborative efforts, the system, and the WSDA's implementation strategy.

Votes on Final Passage:

House	97	0	
Senate	44	5	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

HB 1531

C 152 L 15

Removing expiration dates for training and certification exemptions for certain long-term care workers.

By Representatives Tharinger, Harris, Jinkins, Cody, Caldier, Kagi, Wylie and Senn; by request of Department of Social and Health Services.

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: A long-term care worker is any person who provides paid, hands-on personal care services for older persons or persons with disabilities. The term includes individual providers of home care services, direct care workers employed by home care agencies, providers of home care services to people with developmental disabilities, direct care workers in assisted-living facilities and adult family homes, and respite care providers. The term does not include employees of nursing homes, hospitals, acute care settings, residential habilitation centers, hospice agencies, adult day care centers, and adult day health centers. The term also excludes care providers who are not paid by the state, or any private agency or facility licensed by the state, to provide personal care services.

Long-term care workers must become certified as home care aides by the Department of Health unless an exemption applies. To become certified as a home care aide, a long-term care worker must complete 75 hours of training, pass a certification examination, and pass state and federal background checks. Long-term care workers may work once they have completed five hours of safety and orientation training. Certified homes care aides and specified long-term care workers must complete 12 hours of annual continuing education.

Long-term care workers who are exempt from becoming certified home care aides include registered nurses, licensed practical nurses, certified nursing assistants, home health aides, long-term care workers employed by community residential service businesses, and individual providers caring for only their biological, step, or adoptive child or parent. In addition, until July 1, 2016, there are exemptions for persons working as individual providers who: (1) provide 20 hours of care or less each month; or (2) provide only respite services and work less than 300 hours each year. Until 2016, when these limited-hour individual providers must become certified home care aides, they must complete 35 hours of training, including five hours of specified training prior to providing any care. Beginning July 1, 2016, limited-hour individual providers must annually complete 12 hours of continuing education.

Summary: The temporary exemption from home care aide certification requirements is made permanent for persons working as individual providers who: (1) provide 20 hours of care or less each month; or (2) provide only respite services and work less than 300 hours each year. The requirement that limited-hour individual providers must complete 35 hours of training, including five hours of specified training prior to providing any care, is made permanent. The temporary exemption from continuing education requirements is made permanent.

The Department of Health's temporary authority to issue a 60-day provisional certification to long-term care workers who are limited-English proficient is made permanent.

Votes on Final Passage:

House	91	7
Senate	46	1

Effective: July 24, 2015

E2SHB 1546

C 202 L 15

Concerning dual credit opportunities provided by Washington state's public institutions of higher education.

By House Committee on Appropriations (originally sponsored by Representatives Reykdal, Pollet, Springer, Bergquist, S. Hunt, Lytton, Tarleton, Wylie and McBride; by request of Office of Financial Management).

House Committee on Education
House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Dual credit programs allow high school students to earn postsecondary course credit while also

earning credit toward high school graduation. There are a variety of dual credit programs, including: Tech Prep; Advanced Placement (AP); College in the High School (CHS); Running Start (RS); International Baccalaureate (IB); Cambridge International; and Running Start for the Trades.

College in the High School. The CHS programs provide college level courses in high schools for qualified students in grades 11 and 12. Each CHS program is defined in a local contract between a high school and an institution of higher education. Costs to students vary with each institution. The teacher employed by the participating institution of higher education determines the number of credits and whether the course satisfies general or degree requirements when no comparable course is offered at the institution of higher education. The school district superintendent determines the number of credits for a course when no comparable course is offered by the school district.

Participating school districts must provide general information about CHS to students in grades 10 through 12, as well as to parents and guardians.

Running Start. Running Start students enroll in courses or programs offered by participating institutions of higher education. Students take RS courses on the campus of the institution of higher education and online. Some institutions and school districts also offer RS courses in the high school. High school students do not pay tuition for RS classes but may be charged fees. The institution of higher education must provide fee waivers for low-income students, including those who qualify for free or reduced-price lunch.

Academic Acceleration Incentive Program. The Academic Acceleration Incentive Program (Program) was created in 2013. School districts are encouraged to adopt an Academic Acceleration Policy (Policy), pursuant to which students who meet the state standard on the high school state assessment are automatically enrolled in the next most rigorous advanced course offered by the high school. Students who are successful in that course are then automatically enrolled in the next most rigorous course, with the objective that these students will eventually be automatically enrolled in dual credit courses. Districts that adopt such Policy are eligible for funding from the Program.

Half of the appropriated Program funds are allocated on a competitive basis as one-time grants for high schools to expand the availability of dual credit courses. The other half of the appropriated funds are allocated as an incentive award to school districts for each student who earned dual credit in specified courses offered by a high school in the previous year. The funds may be used to support teacher training, curriculum, exam fees, and other costs of dual credit courses. Students enrolled in RS do not generate an incentive award.

Guaranteed Education Tuition Credits. Washington's prepaid college tuition program, named the Guaranteed Education Tuition program, is governed by federal Internal Revenue Service rules and Washington law. Parents contribute after-tax money, the money grows tax-free, and all withdrawals are tax-free when used for tuition, room and board, and other qualified higher education expenses. The state guarantees that the value of the account will keep pace with the cost of resident undergraduate tuition and state-mandated fees at the most expensive public university in Washington.

Summary: College in the High School. College in the High School is explicitly defined as a dual credit program located on a high school campus or in a high school environment in which a high school student is able to earn both high school and postsecondary credit by completing postsecondary level courses with a passing grade. College in the High School programs may include both academic and career and technical education.

Subject to appropriation, funding may be allocated at an amount per college credit. The maximum annual number of allocated credits per participating eleventh or twelfth grade students may not exceed 10 credits. Funding is prioritized in the following order:

- High schools that offered a Running Start in the High School program in the 2014-15 school year. (This priority is only for the 2015-16 school year.)
- Students whose residence, or the high school in which they are enrolled, is located 20 driving miles or more from the nearest eligible institution of higher education offering a RS program.
- High schools eligible for small school funding enhancement.

Subject to appropriation, and only after the priorities above are funded, a subsidy may be provided per college credit for eleventh and twelfth grade students who have been deemed eligible for free or reduced-price lunch and are enrolled in CHS. The maximum number of subsidized credits per participating student may not exceed five credits.

Districts wishing to participate in the subsidy program must apply to the Office of the Superintendant of Public Instruction (OSPI) by July 1 of each year and report the preliminary estimate of subsidy-eligible students and the total number of projected credit hours. The OSPI must notify a district by September 1 of each year if the district's students will receive the subsidy. If more districts apply than funding is available, the OSPI must prioritize applications according to the OSPI-developed prioritization factors. One such factor must be the number of dual credit opportunities available for low-income students in the district.

The following applies with respect to both allocations and subsidies:

- Districts must remit any allocations or subsidies received to the participating institution of higher education. Those students for whom the allocations

and subsidies have been received are not required to pay for the credits.

- The minimum allocation and subsidy is $65 per quarter credit. The OSPI, the Student Achievement Council (SAC), the State Board for Community and Technical Colleges (SBCTC), and the public baccalaureate institutions must review funding levels for the program every four years, beginning in 2017, and recommend changes.
- If specific funding is appropriated in the operating budget for the per credit allocations and per credit subsidies, the maximum per credit fee charged to any enrolled student may not exceed the amount of the per credit allocation or subsidy.

Students in tenth grade are made eligible for CHS. However, the allocations and subsidies are only applicable to students in the eleventh and twelfth grades. Participating school districts must provide general information about the CHS program to all students in grades nine through 12.

The OSPI must adopt rules for administration of CHS. These rules must be jointly developed by the OSPI, the SBCTC, the SAC, and the public baccalaureate institutions. The Association of Washington School Principals must be consulted. The rules must outline quality and eligibility standards that are informed by nationally recognized standards or models, must encourage the maximum use of the program, and may not narrow or limit enrollment options.

Running Start. Courses and programs offered as RS must also be open for registration to matriculated students at the participating institution of higher education and may not be a course consisting solely of high school students offered at a high school campus.

Academic Acceleration Incentive Program. Incentive award funds may be used for textbook fees and for transportation for RS students to and from the institution of higher education. The provision that explicitly excepted RS students from generating an incentive award is eliminated.

Guaranteed Education Tuition Credits. Guaranteed Education Tuition credits may be redeemed to pay for CHS or RS fees.

Recommendations for Improving Dual Credit Programs. By September 15, 2016, the SAC, in collaboration with the SBCTC, the OSPI, and the public baccalaureate institutions, must make recommendations to the Legislature for streamlining and improving dual credit programs. Particular attention should be paid to increasing participation of low-income students and students who are currently underrepresented in RS, AP, IB, and Cambridge International programs.

Votes on Final Passage:

House	53	45	
Senate	32	16	(Senate amended)
House	87	11	(House concurred)

Effective: July 24, 2015

HB 1547

C 45 L 15

Authorizing funding and expenditures for the hosting of the annual conference of the national association of state treasurers.

By Representatives S. Hunt, Holy and Condotta; by request of State Treasurer.

House Committee on State Government
Senate Committee on Government Operations & Security

Background: State officers and state employees as prohibited from accepting gifts under circumstances where it could be reasonably expected that the gifts would influence their votes, actions, official judgment, or be considered as part of a reward for action or inaction. Limitations are also placed on gifts of a non-influential nature. Generally, gifts may not be accepted that have an aggregate value of $50 or more during any calendar year from any single source.

Summary: Gifts, grants, conveyances, bequests, and devises of real or personal property solicited on behalf of the annual conference of the National Association of State Treasurers is presumed not to influence and may be accepted without regard to the $50 limit.

Votes on Final Passage:

House	96	1
Senate	44	2

Effective: July 24, 2015

HB 1550

C 169 L 15

Simplifying the taxation of amusement, recreation, and physical fitness services.

By Representatives Carlyle, Nealey, Reykdal and Wylie; by request of Department of Revenue.

House Committee on Finance
Senate Committee on Ways & Means

Background: Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent;

local sales and use tax rates vary from 0.5 percent to 3.1 percent, depending on the location.

Business and Occupation Tax. 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. The tax is imposed on the gross receipts from all business activities conducted within the state. Revenues are deposited in the State General Fund. There are several rate categories, and a business may be subject to more than one B&O tax rate, depending on the types of activities conducted.

Amusement and Recreational Services. "Amusement and recreational services" are included in the definition of retail sale for the B&O tax and retail sales tax purposes. There is no specific definition of "amusement and recreational services." There is, however, a list of activities that are classified as "amusement and recreation services" including golf, pool, billiards, skating, bowling, ski lifts and tows, and day trips for sightseeing purposes when provided to consumers. Sales of these retail services are subject to retail sales or use tax.

Physical Fitness Services. "Physical fitness services" are also included in the definition of retail sale for B&O and retail sales tax purposes. The term "physical fitness services" is not defined in statute but is referred to as a personal service. The Department of Revenue by rule has defined "physical fitness services" to include all exercise classes, use of exercise equipment, and personal training, and does not include instructional lessons. Instructional lessons can be distinguished from exercise classes in that education is the primary focus in the former and exercise is the primary focus in the latter. Sales of these retail services are subject to retail sales tax.

Opportunity to Dance. The "opportunity to dance" is defined as an establishment that provides a designated physical space where customers are allowed to dance. Charges for the "opportunity to dance" are exempt from retail sales tax. The exemption is set to expire July 1, 2017.

Summary: The term "amusement and recreation service" is replaced in the definition of "retail sale" with a specific list of retailing activities of an amusement or recreational nature. Specific exclusions are provided for: (1) admission to fairs, carnivals, and festivals, including charges for rides and attractions; (2) otherwise taxable activities provided by an educational institution to its students and staff, not applying to charges made to its alumni and other members of the public; (3) diver training provided by a licensed vocational school; and (4) day camps provided by nonprofit organizations or state or local governmental entities for persons who are under 19 years of age or that are focused on persons who have a disability or a mental illness. In instances where sales tax was not collected for the retail sale of specified amusement or recreational services, use tax is no longer due from the buyer.

The term "physical fitness services" is removed from the definition of "retail sale." Instead, "retail sale" includes the operation of an "athletic or fitness facility." An "athletic or fitness facility" is defined as an indoor or outdoor facility, or portion of a facility, that is predominantly used for physical fitness activities. "Physical fitness activities" are activities that involve physical exertion for the purpose of improving or maintaining the general fitness, strength, flexibility, conditioning, or health of the participant. With certain exceptions, all charges for the use of an athletic or fitness facility are retail sales, including any charges associated with services or amenities. Specific exclusions are provided for: (1) separately stated charges for the use of an athletic or fitness facility for purposes other than engaging in physical activity, use of a discrete portion of the facility that does not meet the definition of "athletic or fitness facility," and services that do not involve physical exertion; (2) rent or associated fees; (3) services provided without charge to employees or their family members; and (4) yoga, tai chi, and chi gong classes held in a facility not primarily used for physical fitness activities other than yoga, tai chi, and chi gong.

The sales tax exemption for charges for the "opportunity to dance" is made permanent.

Votes on Final Passage:

House	70	27	
Senate	43	4	(Senate amended)
House			(House refused to concur)
Senate	38	9	(Senate receded)

Effective: January 1, 2016

HB 1554

C 47 L 15

Exempting information of guardians or family members of children enrolled in child care, early learning, parks and recreation, after-school, and youth development programs.

By Representatives Stambaugh, S. Hunt, Holy, Zeiger, Scott, G. Hunt, Bergquist, Condotta, Ormsby and Young.

House Committee on State Government
Senate Committee on Government Operations & Security

Background: The Public Records Act (PRA) requires state and local agencies to make their written records available to the public for inspection and copying upon request, unless the information fits into one of the various specific exemptions. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions.

Records maintained by the Department of Early Learning regarding the personal information of children enrolled in licensed child care are exempt from disclosure. An exemption also applies to children enrolled in public or nonprofit youth programs, such as early learning or child

care services, parks and recreation programs, youth development programs, and after-school programs. These exemptions do not prohibit an agency from providing emergency contact information to appropriate authorities or medical personnel for treatment purposes in an emergency situation.

Summary: The personal information of family members or guardians of a child enrolled in child care or youth programs is exempt from disclosure if it would result in the disclosure of the child's personal information. The exemption applies if the family member or guardian has the same last name of the child or if they reside at the same address as the child.

Votes on Final Passage:

House	98	0
Senate	49	0

Effective: July 24, 2015

SHB 1559

C 6 L 15

Concerning higher education programs at Washington State University and the University of Washington.

By House Committee on Higher Education (originally sponsored by Representatives Riccelli, Johnson, Wylie, Parker, MacEwen, Harris, Rodne, Schmick, Short, Pettigrew, Ormsby, Robinson, Van De Wege, Klippert, Reykdal, Sawyer, Holy, Walsh, S. Hunt, Kretz, Vick, Gregerson, McCaslin, Pike, Scott, Smith, Lytton, Hudgins, Ryu, Condotta, Sells, Moscoso, Hurst, Santos, Buys, Fey, Takko, Blake, Dent, Nealey, Kilduff, Chandler, Wilcox, Haler, Magendanz, Peterson, Ortiz-Self, Appleton, Manweller, Shea, Senn, Hayes, Kochmar, Hargrove, Muri, Stanford, Fagan, Griffey, Van Werven, Wilson, Harmsworth, Kirby, Tharinger, McBride and Goodman).

Background: Only the University of Washington (UW) or Washington State University (WSU) may offer degrees in particular major lines of study. Degrees in particular major lines of study:

- offered only by the UW include: law, medicine, forest products, logging engineering, library sciences, and fisheries.
- offered only by WSU include: agriculture (in all its branches and subdivisions), veterinary medicine, and economic science in its application to agriculture and rural life.
- offered only by the UW or WSU include: pharmacy, architecture, and forest management.

Summary: The board of regents of WSU may offer and teach medicine as a major line of study, and is authorized to establish, operate, and maintain a school of medicine at the university. The board of regents may also offer and teach forestry as a major line.

Votes on Final Passage:

House	81	17
Senate	47	1

Effective: July 24, 2015

SHB 1564

C 153 L 15

Concerning the local option prohibition on the sale of liquor.

By House Committee on Commerce & Gaming (originally sponsored by Representatives Kilduff and Muri).

House Committee on Commerce & Gaming
Senate Committee on Commerce & Labor

Background: In 1934, after the repeal of prohibition, the Washington State Liquor Act (Act) was enacted. The Act includes provisions allowing incorporated cities, towns, and unincorporated areas of counties to hold an election on the question of whether the sale of liquor should be permitted. The only statutory method to repeal such prohibition is by another public vote at a general election. Areas that are annexed into a city following the enactment of a liquor prohibition are not subject to the prohibition.

In 1975 the citizens of the City of Fircrest (Fircrest) voted on a ballot measure asking them to decide whether to prohibit the sale of liquor by the drink within the city. The prohibition was adopted, and all liquor sales by the drink were terminated 90 days later. Subsequent to the enactment of the prohibition, Fircrest annexed new territory into the city. The annexed areas are not subject to the city's prohibition.

Summary: Territory annexed into a city after the passage of a liquor prohibition by that city through a public vote is not subject to any post-annexation liquor prohibition enacted by that city pursuant to a subsequent election.

Votes on Final Passage:

House	65	33
Senate	45	2

Effective: July 24, 2015

ESHB 1570
C 9 L 15 E 3

Creating flexibility for the educator retooling conditional scholarship program.

By House Committee on Education (originally sponsored by Representatives Gregory, Bergquist, S. Hunt, Reykdal, Kilduff, Ortiz-Self and Pollet; by request of Governor Inslee).

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

Background: A conditional scholarship is a loan that is forgiven in whole or in part in exchange for service as a certificated teacher at a K-12 public school. The state forgives one year of loan obligation for every two years a recipient teaches in a Washington K-12 public school. When a recipient fails to continue with the required course of study or teaching obligation, the recipient must repay the remaining loan principal with interest.

The Retooling to Teach Mathematics and Sciences Conditional Scholarship Program requires a K-12 teacher, or certificated elementary educator who is not employed in a position requiring an elementary education certificate, to pursue an endorsement in math or science to be eligible for the program. The conditional scholarship amount: is determined by the Washington Student Achievement Council, may not exceed $3,000 per year, and is applied to the cost of tuition, fees, and educational expenses. The Professional Educator Standards Board (PESB) must give preference to scholarship applicants who are eligible veterans or National Guard members.

In 2015 the name of the Retooling to Teach Mathematics and Sciences Conditional Scholarship Program was changed to the Educator Retooling Conditional Scholarship Program. The qualifying endorsements were also expanded to any endorsement in a subject or geographic endorsement shortage area, as defined by the PESB.

Summary: A K-12 teacher, or certificated elementary educator who is not employed in a position requiring an elementary education certificate, may qualify for the Educator Retooling Conditional Scholarship Program if he or she is pursuing an endorsement in a subject or geographic endorsement shortage area, as defined by the PESB, including but not limited to, mathematics, science, special education, bilingual education, English language learner (ELL), computer science education, or environmental and sustainability education.

In addition to the veterans and National Guard preference, in awarding conditional scholarships to support additional bilingual education or ELL endorsements, the PESB must also give preference to teachers assigned to schools required under state or federal accountability measures to implement a plan for improvement and to teachers assigned to schools whose enrollment of ELL students has increased an average of more than 5 percent per year over the previous three years.

Votes on Final Passage:

House	70	27
First Special Session		
House	63	32
Third Special Session		
House	54	44
Senate	37	8

Effective: October 9, 2015

SHB 1575
C 280 L 15

Regulating retainage bonds on public contracts.

By House Committee on Capital Budget (originally sponsored by Representatives Buys, Dunshee, DeBolt and Stanford).

House Committee on Capital Budget
Senate Committee on Ways & Means
Senate Committee on Financial Institutions & Insurance

Background: A surety bond is a promise to pay one party a certain amount if a second party fails to meet some obligation, such as fulfilling the terms of a contract.

Retainage bonds are a type of bond that protects the obligee after a construction project is complete. They guarantee that the principal contractor will carry out all necessary work to correct structural or other defects discovered immediately after completion of the contract, even if full payment has been made to the principal. Typically retainage ranges from 2 to 5 percent of the contract amount.

For public improvement contracts, a contractor may submit a retainage bond in a form acceptable to a public body and from a bonding company meeting the public body's standards. The public body must accept such a bond, unless it can demonstrate good cause for not accepting it.

The Office of the Insurance Commissioner oversees the regulation of surety insurance. A surety bond must be approved and accepted by a court, public official, or public body if it is proper and guaranteed by an authorized surety insurer.

Summary: For public improvement contracts, a contractor may submit a retainage bond in a form acceptable to a public body and from an authorized surety insurer. The public body must accept the bond if it is proper and guaranteed by the surety insurer. The ability of the public body to refuse to accept the bond for good cause is eliminated. A public body may require up to an A-minus rating for retainage bonds.

Votes on Final Passage:

House	98	0

Senate 49 0

Effective: July 24, 2015

SHB 1586

C 281 L 15

Transferring a railroad right-of-way to the Port of Royal Slope.

By House Committee on Transportation (originally sponsored by Representatives Manweller, Dent, Orcutt and Wylie).

House Committee on Transportation
Senate Committee on Transportation

Background: The Royal Slope railroad is a 26-mile rail line running from Royal City to Othello. The rail line was originally operated by the Chicago, Milwaukee, St. Paul and Pacific Railroad until 1980, when the company abandoned its operations in the Pacific Northwest. Currently, the abandoned rail line is owned by the state and managed by the Department of Transportation (WSDOT).

Summary: The WSDOT must transfer the Royal Slope railroad right-of-way, and any supplies purchased as part of a recent rehabilitation project, to the Port of Royal Slope (Port). This transfer must be made at no cost to the Port. The Port must maintain the right-of-way and contract with an operator; however, if there is no operator on the line for any continuous five-year period, the right-of-way and any materials, equipment, and remaining supplies must revert to the WSDOT. Additionally, if the property is to revert to the WSDOT, it must be in at least substantially the same condition as when the right-of-way was initially transferred. Finally, any operator agreement for the rail line must not limit the state's ability to enter into a franchise agreement on the line, and any such franchise agreement must allow any operator on the line to continue to operate.

Votes on Final Passage:

House	97	1	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

Effective: May 18, 2015

HB 1595

C 48 L 15

Changing the definition of labor hours for the purposes of the apprenticeship utilization statute.

By Representatives Senn, Clibborn, Walsh and Ormsby.

Background: Generally, public works projects of certain agencies that are estimated to cost $1 million or more must require that at least 15 percent of the labor hours be performed by apprentices enrolled in approved apprenticeship training programs.

"Labor hours" is defined as the total hours of workers receiving an hourly wage who are directly employed *on the site* of the public works project.

Some awarding agencies have looked to federal law for guidance on interpreting the phrase "on the site" of the project. Under the Davis-Bacon Act (the federal law that requires prevailing wages be paid on federally funded public works projects) the term "on the site" of the work generally means the physical place where the building or work called for in the contract will remain, and any other site where a significant portion of the building or work is constructed, provided that such site is established specifically for the performance of the contract or project.

On the other hand, Washington's prevailing wage laws require that laborers *upon* the public works project must be paid prevailing wages. The prevailing wage laws have been interpreted to extend beyond work performed directly *on the site* of the project.

Summary: The definition of "labor hours" in the apprenticeship utilization statutes is changed to mean the total hours of workers employed "upon" (rather than "on the site" of) the project. Therefore, the hours worked by apprentices, when calculating apprenticeship utilization requirements, are not limited to just hours worked on site.

Votes on Final Passage:

House 97 1
Senate 49 0

Effective: July 24, 2015

HB 1599

C 253 L 15

Concerning secure facilities for the criminally insane.

By Representatives Rodne, Jinkins and Wylie; by request of Department of Social and Health Services.

House Committee on Judiciary
House Committee on Appropriations
Senate Committee on Human Services, Mental Health & Housing

Background: Commitment of Persons Found Not Guilty by Reason of Insanity. A person is not guilty by reason of insanity (NGRI) if he or she, at the time of the act underlying the charge, was unable to perceive the nature and quality of the act or was unable to tell right from wrong with respect to the particular act because of a mental disease or defect. A person found NGRI must be committed to the custody of the Department of Social and Health Services (DSHS) if the fact finder determines that the person is a substantial danger to other persons or presents a substantial likelihood of committing criminal acts jeopardizing public safety or security unless kept under further control by the court or other persons or institutions.

The maximum term of commitment following an NGRI acquittal is equal to the maximum possible sentence for any offense with which the person was charged. Persons committed as NGRI undergo a mental condition evaluation at least once every six months, and may petition for conditional release or final release by making an application to the Secretary of the DSHS or by making a direct petition to the court.

Placement of Persons Committed as NGRI in Secure Facilities. If the DSHS determines in writing that a person committed to its custody as NGRI presents an unreasonable safety risk that, based on behavior, clinical history, and facility security is not manageable in a state hospital setting, the DSHS may place the person in any secure facility operated by the DSHS or the Department of Corrections (DOC). The person remains in the legal custody of the DSHS, and the person's placement must be reviewed at least every three months. A person placed in a secure facility is entitled to appropriate mental health treatment governed by a formalized treatment plan and retains the right to an examination of his or her mental condition every six months and the right to petition for conditional or final release.

The authority of the DSHS to place a person in a secure facility expires June 30, 2015.

Summary: The expiration on the authority granted to the DSHS to place a person committed as NGRI in a secure DSHS or DOC facility when that person has been determined to present an unreasonable safety risk is removed.

Before the DSHS places a person who is committed as NGRI in a secure facility, the Secretary of the DSHS must give consideration to reasonable alternatives that would be effective to manage the person's behavior and must include written documentation of the decision and reasoning in the patient's medical file.

Votes on Final Passage:

House	96	2	
Senate	49	0	(Senate amended)
House	96	2	(House concurred)

Effective: July 24, 2015

HB 1601

C 138 L 15

Concerning venue of actions by or against counties.

By Representative Rodne.

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Venue for Actions By or Against Counties. "Venue" refers to the court in which a case may be heard. All actions against any county may be commenced in the superior court of that county or in the superior court of either of the two nearest judicial districts. All actions by any county must be commenced in the superior court of the county in which the defendant resides, or in either of the two judicial districts nearest to the county bringing the action.

Contracts Against Public Policy. Contract terms are generally enforceable based on the theory of freedom of contract. However, a contract or its terms may be void and unenforceable if the contract violates certain principles of contract law. For example, a contract may be unenforceable if there is no consideration, if it is unconscionable, or if it contravenes public policy.

Contract terms are unenforceable on grounds of public policy when the interest in their enforcement is clearly outweighed by a public policy against the enforcement of the terms. In order to determine whether a contract violates public policy, courts ask if the contract has a tendency to be against the public good or to be injurious to the public.

Examples of contracts, or their terms, that are declared by statute to be void as against public policy in Washington include, but are not limited to, contracts that require:

- a bidder on a public building or construction contract to obtain or procure any surety bonds or insurance specified in connection with the contract; and
- a party to a construction contract to indemnify against liability caused by the sole negligence of the person requesting indemnification.

Summary: Any provision in a public works contract with any county that requires a civil action be commenced in the superior court of that county is void and unenforceable as against public policy. This does not apply to any provisions that require a dispute be submitted to arbitration.

Votes on Final Passage:

House	97	0
Senate	42	2

Effective: July 24, 2015

SHB 1604

C 139 L 15

Creating a work group on occupational disease exposure for firefighters.

By House Committee on Labor (originally sponsored by Representatives Reykdal, Hayes, Sawyer, Van De Wege, Holy, Griffey, Riccelli, Fitzgibbon, Ormsby and Pollet).

House Committee on Labor
Senate Committee on Commerce & Labor

Background: A worker who, in the course of employment, is injured or suffers disability from an occupational disease is entitled to certain benefits. To prove an occupational disease, the worker must show that the disease arose naturally and proximately out of employment.

For firefighters who are members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and certain private sector firefighters, there is a

presumption that certain medical conditions are occupational diseases. Those medical conditions are: respiratory disease, certain heart problems, specified cancers, and certain infectious diseases. With respect to heart problems, the problems must be experienced within 72 hours of exposure to smoke, fumes, or toxic substances, or experienced within 24 hours of strenuous physical exertion due to firefighting activities.

The presumption of occupational disease may be rebutted by a preponderance of evidence, including: use of tobacco products, physical fitness and weight, lifestyle, hereditary factors, and exposure from other employment or non-employment activities. In addition, the presumption does not apply to a firefighter who develops a heart or lung condition and who is a regular user of tobacco products or who has a history of tobacco use.

Summary: Beginning August 1, 2015, the Department of Labor and Industries (Department) must convene a work group to discuss creating definitions, policies, and procedures for mandatory reporting of hazardous exposures suffered by firefighters in the course of employment.

The work group must include representatives of firefighters unions, fire departments, fire chiefs, self-insured employers, and state fund public employers.

The Department must report recommendations for legislation or rule-making to the appropriate committees of the Legislature by January 1, 2016.

Votes on Final Passage:

House	96	1
Senate	46	0

Effective: July 24, 2015

SHB 1610

C 7 L 15

Changing jury service provisions.

By House Committee on Judiciary (originally sponsored by Representatives McCaslin, Riccelli, Rodne, Orwall, Holy, Stokesbary, G. Hunt, Taylor and Shea).

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Juries. A jury is a body of persons temporarily selected from the qualified inhabitants of a particular district and invested with the power to present or indict a person for a public offense or try a question of fact. Jurors are randomly selected from a jury source list made up of the list of registered voters, licensed drivers, and identicard holders in each county. A person is qualified to be a juror if he or she is a Unites State citizen over the age of 18, is a resident of the county of service, is able to communicate in English, and has not been convicted of a felony.

Jury Service. The court sets the length and number of jury terms within a 12-month period, subject to statutory parameters for jury terms and service.

The "jury term" is the period of time during which summoned jurors must be available to report for jury service. The jury term may be one or more days, not to exceed one month. The term of "juror service" is the period of time a juror is required to be present at the court facility. The period of juror service may not extend beyond the jury term, and may not exceed two weeks, except to complete a trial to which the juror was assigned during the two-week period.

The statutorily stated policy of the state is to maximize the availability of residents of the state for jury service, and to minimize the burden resulting from jury service on prospective jurors and their families and employers. The jury term and jury service should be set at as brief an interval as is practical given the size of the jury source list for the judicial district. The optimal jury term is two weeks or less. Optimal juror service is one day or one trial, whichever is longer.

Excusal from Jury Service. The court may excuse a person from jury service upon a showing of undue hardship, extreme inconvenience, public necessity, or any reason deemed sufficient by the court for a period of time the court deems necessary. A prospective juror excused from juror service for a particular time may be assigned to another jury term. When the jury source list has been fully summoned and additional jurors are needed, jurors who have already served may be summoned again for service. A juror who has previously served may be excused if he or she served at least two weeks of juror service within the preceding 12 months.

Summary: The maximum jury term and maximum period of jury service are shortened in counties with a jury source list of at least 70,000 names. The jury term is shortened from one or more days, not exceeding one month to one or more days, not exceeding two weeks. The term of jury service is shortened from up to two weeks to up to one week.

In all counties, the optimal jury term is shortened to one week or less. A juror who is summoned for jury service after having already served within the previous 12 months qualifies for excusal if he or she has served at least one week of juror service during that preceding 12 months.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 24, 2015

SHB 1617
C 140 L 15

Concerning the use of the judicial information system by courts before granting certain orders.

By House Committee on Judiciary (originally sponsored by Representatives Rodne, Goodman and Jinkins).

House Committee on Judiciary
Senate Committee on Law & Justice

Background: The Judicial Information System (JIS) is a statewide information system for courts in Washington. The JIS contains information regarding family law actions and other civil cases, criminal history, pending criminal charges, and outstanding warrants. The JIS also includes information relating to protection, no-contact, and restraining orders, including those issued in proceedings involving domestic violence, sexual assault, harassment, family law, and vulnerable adults. Information related to these orders includes the names of the parties, the cause number, the criminal histories of the parties, and any other relevant information necessary to assist courts. The statutorily stated purpose for having this information available in the JIS is to prevent the issuance of competing protection orders and to provide courts with needed information for issuance of protection orders.

Rules regarding ex parte communications prohibit judges from receiving or seeking factual information from outside of the record of a pending case except in limited situations, including when authorized by law to do so. Courts are required or permitted to consult the JIS in certain circumstances, for example, when entering orders for permanent parenting plans or child custody and when entering certain protection orders.

Summary: Prior to entering certain types of orders, the court may consult the JIS or related databases, if available, to review criminal history or to determine whether other proceedings involving the parties are pending. Specifically, the court may consult the JIS or another database when granting any of the following orders:

- a temporary or final order establishing a parenting plan, making a residential determination concerning a child, or restricting a party's contact with a child;
- an order regarding a vulnerable child or adult, or a person who is an alleged incapacitated person in a guardianship proceeding, regardless of the type of order;
- an order granting letters of guardianship or appointing an administrator of an estate;
- an order granting relief under the statutory provisions regarding civil commitment, sexually violent predators, and other matters related to mental illness;
- an order granting relief in a juvenile proceeding; or
- an order of protection or criminal no-contact order for sexual assault, stalking, antiharassment, or domestic violence, or a foreign protection order.

In the event that the court does consult the JIS or a related database, the court must disclose to the parties the fact that the database was consulted. In addition, the court must disclose any matters that the court relied upon in rendering a decision and file a copy of the document relied upon within the court file. The document must be filed as a confidential document with any confidential contact or location information redacted.

Votes on Final Passage:

House	92	6
Senate	47	1

Effective: July 24, 2015

SHB 1619
C 185 L 15

Providing a business and occupation tax exemption for environmental handling charges.

By House Committee on Finance (originally sponsored by Representatives S. Hunt, Nealey, Fitzgibbon and Pollet).

House Committee on Finance
Senate Committee on Energy, Environment & Telecommunications

Background: Business and Occupation Taxes. 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. The tax is imposed on the gross receipts from all business activities conducted within the state. Revenues are deposited in the State General Fund. There are several rate categories, and a business may be subject to more than one B&O tax rate, depending on the types of activities conducted.

Tax Preference Performance Statement. All new tax preference legislation must include a tax preference performance statement. "New tax preference" means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013. Tax preferences include deductions, exemptions, preferential tax rates, and tax credits. The performance statement must clearly specify the public policy objective of the tax preference and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee to evaluate the efficacy of the tax preference.

A new tax preference has an automatic 10-year expiration date if an alternative expiration date is not provided in the new tax preference legislation.

Mercury-Containing Lights Product Stewardship Programs. Producers of mercury-containing lights must participate in a mercury-containing lights product

stewardship program (stewardship program). A stewardship program is responsible for the collection, recycling, and disposal of mercury-containing lights, including compact fluorescent lights. The stewardship program must operate pursuant to a plan approved by the Department of Ecology (ECY). The ECY is responsible for reviewing and approving a stewardship program's plan and ensuring compliance with the approved plan. Stewardship program collection sites must be registered with the product stewardship organization and must be located in every city with a population greater than 10,000, with at least one location per county, regardless of a county's population.

Environmental Handling Charges. An environmental handling charge (EHC) must be added to the price of mercury-containing lights sold to retailers in or into the state. The handling charge must cover the stewardship program's operational and administrative costs, plus a reserve.

Producers must remit environmental handling charge revenue to their stewardship program, unless a distributor or retailer has voluntarily agreed to directly remit the environmental handling charge to the stewardship program on behalf of the producer. Retailers who voluntarily agree to remit the handling charge to the stewardship organization may retain a portion of the handling charge as compensation for the costs associated with collecting and remitting the handling charge.

The stewardship program, using funds from the environmental handling charge, must pay $5,000 per participating producer to the ECY to cover administration and enforcement costs.

Summary: A B&O tax exemption is provided for receipts attributable to an EHC.

The tax exemption is exempt from the tax preference performance statement and expiration date requirements.

Votes on Final Passage:

House	79	18
Senate	48	0

Effective: July 24, 2015

HB 1620

C 254 L 15

Increasing the surcharge to fund biotoxin testing and monitoring.

By Representatives Tharinger, Fey, Lytton, Van De Wege, Stanford, Fitzgibbon, Walkinshaw, Cody, Pollet and Jinkins; by request of Department of Health.

House Committee on Appropriations
Senate Committee on Natural Resources & Parks
Senate Committee on Ways & Means

Background: In 2009 the Legislature created the Biotoxin Account (Account) administered by the Department of Health (DOH). Revenue from the following surcharges, originally authorized by the Legislature in 2003 and collected by the Department of Fish and Wildlife (DFW), are deposited in the Account, which include a:

- $3 surcharge on resident and non-resident adult shellfish and seaweed licenses;
- $2 surcharge on annual resident and non-resident adult combination licenses;
- $2 surcharge on annual resident and non-resident razor clam licenses; and
- $1 surcharge on the three-day razor clam license.

Moneys from the Account are used to fund biotoxin testing and monitoring by the DOH of beaches used for recreational shellfishing and to fund monitoring by the Olympic Region Harmful Algal Bloom Program at the University of Washington. Moneys in the Account may be spent only after appropriation.

In addition to the statutory surcharges on recreational shellfish licenses, the DOH collects a biotoxin testing fee on commercial shellfish licenses. The fees on commercial shellfish licenses are set in rule, and may be increased by the DOH through the rulemaking process. Fee revenue is deposited in the General Fund-Private/Local and may be spent only after appropriation.

Summary: The biotoxin testing and monitoring surcharge on recreational shellfish licenses is increased by $1 per license. The total biotoxin testing and monitoring surcharge after the $1 increase would be a:

- $4 surcharge on resident and non-resident adult shellfish and seaweed licenses;
- $3 surcharge on annual resident and non-resident combination licenses;
- $3 surcharge on annual resident and non-resident razor clam licenses; and
- $2 surcharge on the three-day razor clam license.

Revenue generated by the surcharges may not be used to pay for the DFW's administrative costs.

The surcharge on recreational shellfish licenses may not be increased by more than $1, and may only be increased when the DOH increases the corresponding fees in rule on commercial shellfish licenses.

Votes on Final Passage:

House	92	5	
Senate	38	10	(Senate amended)
House	90	7	(House concurred)

Effective: July 24, 2015

HB 1622
C 203 L 15

Expanding the products considered to be potentially non-hazardous as they apply to cottage food operations.

By Representatives Young, Blake, Caldier, Scott, Shea and Takko.

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

Background: The Washington State Department of Agriculture (WSDA) is authorized to adopt rules that allow for cottage food operations. Permitted cottage food operations are exempt from the state's commercial food service regulations and from licensing by public health jurisdictions. A cottage food operation is defined as a person who produces, in the kitchen of their domestic residence, a food that is not potentially hazardous.

Items that are expressly allowed to be sold by a cottage food operation, according to the rules adopted by the WSDA, include:

- baked good products that are cooked in an oven, such as loaf breads, rolls, biscuits, muffins, cakes, scones, cookies, crackers, cereals, trail mixes, candies that are cooked in an oven, certain pies, and nut mixes;
- standardized jams, jellies, preserves, and fruit butters;
- recombined and packaged dry herbs, seasoning, and mixtures that are obtained from approved sources; and
- flavored vinegars.

Potentially hazardous foods that are not allowed to be produced by a cottage food operator are those that require temperature control and are capable of supporting the rapid growth of pathogenic or toxigenic microorganisms.

Examples of prohibited foods, as provided in the rules adopted by the WSDA, include:

- fresh or dried meat or meat products (including jerky);
- canned fruits, vegetables, vegetable butters, and salsas;
- fish or shellfish products;
- canned pickled products;
- raw seed sprouts;
- bakery goods that require any type of refrigeration;
- tempered or molded chocolate;
- milk and dairy products;
- cut fresh fruits or vegetables and products made from them;
- garlic in oil mixtures;
- juices made from fresh fruits or vegetables;
- ice or ice products;
- barbecue sauces, ketchups, or mustards; and
- focaccia-style breads with vegetables or cheeses.

Summary: The statutory list of allowable food products that may be sold by a cottage food operation is expanded to include both baked candies and candies made on a stovetop.

Cottage food products containing the active ingredient in cannabis are specifically prohibited.

Votes on Final Passage:

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

Effective: July 24, 2015

SHB 1625
C 255 L 15

Concerning provision of drugs to ambulance or aid services.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Schmick and Wylie).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Pharmacy Services. In hospitals that have pharmaceutical services, the director of pharmacy is responsible for the distribution of drugs throughout the hospital. Hospital pharmacies must be licensed by the Pharmacy Quality Assurance Commission (Commission). They provide pharmaceutical services that include procuring, preparing, storing, distributing, and controlling all drugs in the hospital; inspecting nursing care units where medications are dispensed, administered, or stored; monitoring drug therapy; providing drug information to patients and providers; and surveying and reporting adverse drug reactions.

Regulations adopted by the Commission define "wholesale distribution" as the sale of prescription drugs to a person who is not a consumer or patient. Hospital pharmacies are generally not engaged in wholesale drug distribution activities; however, they may perform some similar functions that have been specifically exempted from the term. These exemptions include certain intracompany transfers to affiliated entities and the sale of a drug for emergency medical reasons. The term "emergency medical reasons" is not defined, but includes transfers of drugs between retail pharmacies to alleviate temporary shortages.

Emergency Medical Personnel. Emergency medical personnel may provide patient care that is included within training curricula, approved specialized training, and local medical program director protocols. The four categories of emergency medical service personnel in descending order of training are: paramedics, intermediate life support technicians, emergency medical technicians, and first re-

sponders. Emergency medical service personnel may only provide services within the scope of care established in the curriculum of the person's level of certification or any specialized training. In addition, the services must be included in the protocols of each county's medical program director. With the exception of the administration of epinephrine, an emergency medical technician may not administer injections.

Summary: Pharmacies operated by a hospital may provide medications to ambulance and aid services for uses associated with providing emergency medical services. The pharmacies may provide the medications if:

- the hospital is located in the same county or an adjacent county to the ambulance or aid service's area of operation;
- the medical program director requests the medications for the ambulance or aid service and the types of medications provided (1) correspond to the level of service provided by the ambulance or aid service and the training of its emergency medical personnel and (2) are identified by the medical program director through patient care protocols; and
- the provision of the medications is not contingent upon arrangements to transport patients to the hospital other than for reasons related to the medical needs of patients and patient care procedures.

The Emergency Medical Services and Trauma Care Steering Committee (Steering Committee) must review the appropriateness of allowing emergency medical technicians to use hydrocortisone sodium succinate or similar medications for the treatment of adrenal insufficiency and glucagon emergency kits. The review must consider the adequacy of current training, the feasibility of supplementing training, the costs and likely utilization of stocking ambulances with the medications, and options for localized solutions to specific community needs. The Steering Committee must report to the Governor and the appropriate committees of the Legislature by December 15, 2016, with the results of its review and any recommendations.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

HB 1627

C 154 L 15

Expanding the existing prohibition on unlawfully entering the land of another to hunt or to retrieve hunted wildlife under Title 77 RCW to include entering the land of another to collect wildlife parts.

By Representative Schmick.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources & Parks

Background: It is a misdemeanor to hunt on, or retrieve hunted wildlife from, the premises of another if a person knowingly enters or remains unlawfully in or on the premises of another for the purpose of hunting wildlife or retrieving hunted wildlife. The following are defenses to a prosecution for unlawfully hunting on or retrieving hunted wildlife from the premises of another:

- The premises were open to the public for hunting purposes, and the actor complied with all lawful conditions imposed on access to or remaining on the premises.
- The actor reasonably believed that the premises' owner—or another person with authority to license access—would have licensed the actor to enter or remain on the premises to hunt wildlife or retrieve hunted wildlife.
- The actor reasonably believed the premises were not privately owned.
- After reasonable attempts to contact the premises' owner, the actor retrieved hunted wildlife for the sole purpose of avoiding wasting fish or wildlife. This defense applies only to the retrieval of hunted wildlife, not to the act of hunting itself.

If a person is found guilty of unlawfully hunting on or retrieving hunted wildlife from the premises of another, the Washington Department of Fish and Wildlife (WDFW) must revoke all of the person's hunting licenses and tags and order a suspension of the person's hunting privileges for two years. The WDFW must seize any wildlife or wildlife parts that were unlawfully hunted or unlawfully retrieved from the premises of another.

Summary: The existing prohibition on unlawfully hunting on or retrieving hunted wildlife from the premises of another is expanded to include the act of knowingly entering or remaining unlawfully in or on the premises of another for the purpose of collecting wildlife parts. A person charged with unlawfully collecting wildlife parts from the premises of another may assert the same defenses as a person charged with unlawfully hunting wildlife on the premises of another. However, the defense of avoiding wasting fish or wildlife is unavailable to a person charged with unlawfully collecting wildlife parts from the premises of another.

A person convicted of unlawfully collecting wildlife parts from the premises of another will not have any hunting licenses or tags they may possess revoked or have their hunting privileges suspended for two years. The WDFW must seize wildlife parts that were unlawfully collected from the premises of another.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 24, 2015

EHB 1633

C 155 L 15

Giving preferences to housing trust fund projects that involve collaboration between local school districts and housing authorities or nonprofit housing providers to help children of low-income families succeed in school.

By Representatives Zeiger, Jinkins, Young, Fey, Appleton, Hargrove, Sawyer, Walsh, Stanford, Johnson, Riccelli, Kochmar, Muri, Pollet, Kagi and Wylie.

House Committee on Capital Budget
Senate Committee on Human Services, Mental Health & Housing

Background: Housing Assistance Program. Established by the Legislature in 1987 and administered by the Department of Commerce (Commerce), the Housing Assistance Program (HAP), commonly referred to as the Housing Trust Fund, provides loans and grants for construction, acquisition, and rehabilitation of low-income multi-family and single-family housing. Housing units supported by the HAP may only serve people with special housing needs and with incomes at 50 percent or below a local area's median family income. At least 30 percent of the HAP resources in a funding cycle must benefit projects in rural communities. Organizations eligible to receive funding include: local governments; local housing authorities; regional support networks; nonprofit community or neighborhood-based organizations; federally recognized Indian tribes; and regional or statewide nonprofit housing assistance organizations.

Since 1989, the HAP has invested $976 million in 41,257 housing units statewide for people with low incomes, persons with special needs, farm workers, homeless individuals and families, seniors, and other target populations. Over the last six biennia, the HAP has been funded at the following levels:

- 2003-2005: $81 million;
- 2005-2007: $100 million;
- 2007-2009: $200 million;
- 2009-2011: $130 million;
- 2011-2013: $117 million; and
- 2013-2015: $51.5 million.

In awarding funds, Commerce must provide for statewide geographic distribution. Commerce must give first priority to projects that use privately-owned housing purchased by a public housing authority or nonprofit public development authority. A second priority must be given to projects that use publicly owned housing. Within these priorities, Commerce must give preference to projects based on some or all of the 13 criteria. Examples include:

- the degree of leveraging of other funds;
- the degree of commitment from programs focusing on special needs populations;
- local government contributions;
- projects that demonstrate a strong probability of serving the original target group or income level for at least 25 years;
- demonstrated ability to implement the project; and
- project location and access to area employment centers and public transportation.

Local School Districts. There are 295 school districts in Washington. Each district administers the public school system in its jurisdiction and elects a board to direct policies and operate the school program. Local school boards have broad authority to manage and oversee the education programs in their districts.

Housing Authorities. Housing authorities are public nonprofit corporations created by cities and counties that provide affordable housing opportunities within a community. Housing authorities have broad powers, including: purchasing and disposing of property to create housing; leasing or renting property; operating housing projects; and administering low-income housing programs.

Nonprofit Housing Providers. Nonprofit housing providers are private not-for-profit organizations, including community development corporations, that provide affordable housing opportunities within a community. Nonprofit housing providers may finance, build, or manage affordable housing projects.

Summary: Project applications involving collaborative partnerships between local school districts and either public housing authorities or nonprofit housing providers that help children of low-income families succeed in school must be given preference by Commerce. To receive this preference, a local school district must provide community members an opportunity to offer input on the proposed project.

Votes on Final Passage:

House	92	6
Senate	47	1

Effective: July 24, 2015
April 1, 2016 (Section 2)

SHB 1636
C 204 L 15

Requiring disability employment reporting by state agencies.

By House Committee on State Government (originally sponsored by Representatives MacEwen and Griffey).

House Committee on State Government
Senate Committee on Government Operations & Security

Background: There are several state programs that address vocational rehabilitation for persons with disabilities. The Division of Vocational Rehabilitation (DVR) is an agency within the Department of Social and Health Services (DSHS) that provides a statewide program of services to disabled persons that support self-sufficiency, job opportunities, and community integration. The Developmental Disabilities Administration (DDA) also within the DSHS, assists individuals with developmental disabilities and their families to obtain services and support based on individual preference, capabilities, and needs.

The Department of Services for the Blind (DSB) operates the Vocational Rehabilitation Program (Program) to provide services that help blind persons overcome barriers and develop skills necessary for employment and independence. The Program must ensure that the services provided to eligible persons meet the requirements of the federal Rehabilitation Act of 1973.

In 2013 the Governor issued Executive Order 13-02, which established a goal that by 2017, 5 percent of the state work force will be comprised of people living with a disability. The Executive Order also directed the Office of Financial Management (OFM) to convene the Disability Employment Task Force to assist state agencies with recruiting and retaining disabled persons and engage the private sector to help increase opportunities for disabled persons in all employment sectors.

Summary: State agencies with 100 or more employees must submit an annual report that includes the total number of employees in the previous year and the number of employees classified as disabled. The report also must include:

- the total number employees hired and separated in the past year, including the number of employees hired from the DVR and from the DSB;
- the total number of planned hires for the current year; and
- opportunities for internships for DVR, DDA, and DSB client placements leading to entry-level positions.

Each agency must submit its report to the OFM human resource director, with copies sent to the DVR and the Governor's Disability Employment Task Force, by January 31 of each year.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

HB 1637
C 49 L 15

Authorizing law enforcement and prosecutorial officials of federally recognized Indian tribes access to prescription monitoring data.

By Representatives Stokesbary, Hurst, Gregory, Zeiger, Rodne, Stambaugh, Magendanz, Kretz, Kochmar, Santos, Appleton, Sells, Van De Wege, Robinson, Ormsby, Fey, Dent and Jinkins.

House Committee on Community Development, Housing & Tribal Affairs
Senate Committee on Health Care

Background: In 2007 the Department of Health (DOH) was required to establish and maintain a Prescription Monitoring Program to monitor the prescribing and dispensing of all Schedule II, III, IV, and V controlled substances. Information submitted for each prescription must include at least a patient identifier, the drug dispensed, the date of dispensing, the quantity dispensed, the prescriber, and the dispenser. With certain exceptions, prescription information submitted to the DOH is confidential.

The exceptions allow the DOH to provide data in the Prescription Monitoring Program to:

- persons authorized to prescribe or dispense controlled substances;
- an individual who requests the individual's own records;
- health professional licensing, certification, or regulatory agencies;
- local, state, and federal law enforcement or prosecutorial officials who are engaged in bona fide specific investigations involving a designated person;
- authorized practitioners of the Department of Social and Health Services and the Health Care Authority regarding Medicaid recipients;
- the Director of the Department of Labor and Industries regarding workers' compensation claimants;
- the Director of the Department of Corrections regarding committed offenders;
- entities under court order; and
- DOH personnel for the purposes of administering the program.

Data may also be provided to public or private entities for statistical, research, or educational purposes after removing identifying information.

Summary: The DOH may provide data in the Prescription Monitoring Program to law enforcement or prosecutorial officials of federally recognized tribes who are

engaged in a bona fide specific investigation involving a designated person.

Votes on Final Passage:

House	67	30
Senate	47	0

Effective: July 24, 2015

HB 1641
C 141 L 15

Adding shellfish to the list of species types listed in RCW 77.15.260(1)(a).

By Representatives Blake, Lytton and Tharinger.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources & Parks

Background: The crime of Unlawful Trafficking in Fish, Shellfish, or Wildlife in the second degree is a class C felony. This crime applies if a person traffics in fish, shellfish, or wildlife with a wholesale value of less than $250 and the trafficked product is either in violation of a rule for unclassified species or the species is classified as a game species, food fish, shellfish, game fish, or a protected species.

Prior to 2001, the crime only applied to fish and wildlife. Legislation that year added shellfish to the scope of the crime. The legislation added the word "shellfish" to the phrase "fish or wildlife" to create the re-occurring phrase "fish, shellfish, or wildlife."

The addition of the word "shellfish" occurred eight times in the 2001 legislation. However, the phrase "fish and wildlife" occurs nine times in the underlying statute. This resulted in one instance in the statutory basis for the crime of Unlawful Trafficking in Fish, Shellfish, or Wildlife where "shellfish" is not included in the phrase "fish or wildlife." This appears in the element of the crime that describes the species classification that must apply for the crime to be prosecuted, and results in only "fish or wildlife," but not "shellfish," being a species type that qualifies under that element.

Summary: The word "shellfish" is added to the phrase "fish or wildlife" for the purposes of the scope of one element to the crime of Unlawful Trafficking in Fish, Shellfish, or Wildlife in the second degree.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: July 24, 2015

HB 1652
C 256 L 15

Concerning medicaid managed health care system payments for health care services provided by nonparticipating providers.

By Representatives Cody and Harris; by request of Health Care Authority.

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health Care
Senate Committee on Ways & Means

Background: Medicaid is a federal-state partnership with programs established in the federal Social Security Act and implemented at the state level with federal matching funds. Federal law provides a framework for coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services through a network of providers. Healthy Options (HO) is the Health Care Authority's Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible clients a complete medical benefits package.

Managed care systems serving HO clients must pay nonparticipating providers the lowest amounts the systems pay for the same services under the systems' contracts with similar providers in the state. Nonparticipating providers must accept those rates as payment in full, in addition to any deductibles, coinsurance, or copayments due from the patients. Enrollees are not liable to nonparticipating providers for covered services, except for amounts due for any deductibles, coinsurances, or copayments.

Managed care systems must maintain networks of appropriate providers sufficient to provide adequate access to all services covered under their contracts with the state, including hospital-based services. The Department of Social and Health Services and the Health Care Authority must monitor and periodically report to the Legislature on the proportion of services provided by contracted providers and nonparticipating providers for each of their managed care systems.

Requirements for Medicaid managed health care providers to maintain adequate provider networks and to pay nonparticipating providers the lowest amounts the systems pay for the same services with similar providers expire on July 1, 2016.

Summary: The July 1, 2016, expiration of the requirements for Medicaid managed health care providers to maintain adequate provider networks and to pay nonparticipating providers the lowest amounts the systems pay for the same services with similar providers is moved to July 1, 2021.

Managed health care systems must make good faith efforts to contract with nonparticipating providers before paying the lowest amount paid for the same services under contracts with similar providers in the state.

Votes on Final Passage:

House	98	0	
Senate	48	1	(Senate amended)
House	95	0	(House concurred)

Effective: July 24, 2015

ESHB 1671

C 205 L 15

Concerning access to opioid overdose medications.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Walkinshaw, Griffey, Cody, Smith, Peterson, Magendanz, Riccelli, Stanford, Appleton, Robinson, Tharinger and Jinkins).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Opioids, such as heroin, morphine, and oxycodone, act on opioid receptors in the brain and nervous system, causing depression of the central nervous system and respiratory system. Naloxone is a legend drug that is used to prevent opioid-related overdoses. It blocks opioid receptors and reverses the effects of the opioid. Naloxone may be sprayed into the nose or injected in muscle or intravenously.

It is unlawful to possess, deliver, or dispense a legend drug except pursuant to a prescription issued by a health care professional with prescriptive authority who is licensed in Washington. A person acting in good faith, however, may receive a naloxone prescription, possess naloxone, or administer naloxone to a person suffering from an apparent opiate-related overdose. It is not unprofessional conduct under the Uniform Disciplinary Act for a practitioner or a person to administer, dispense, prescribe, purchase, acquire, possess, or use naloxone if the conduct results from a good faith effort to assist either: (1) a person experiencing, or likely to experience, an opiate-related overdose; or (2) a family member, friend, or other person in a position to assist a person experiencing, or likely to experience, an opiate-related overdose.

Summary: A health care practitioner who is authorized to prescribe legend drugs may prescribe, dispense, distribute, and deliver an opioid overdose medication: (1) directly to a person at risk of experiencing an opioid-related overdose; or (2) by collaborative drug therapy agreement, standing order, or protocol to a first responder, family member, or other person in a position to assist a person at risk of experiencing an opioid-related overdose. These prescriptions and protocol orders are issued for a legitimate medical purpose in the usual course of professional practice. At the time of prescribing, dispensing, distributing, or delivering the opioid overdose medication, the practitioner must inform the recipient that as soon as possible after administration, the person at risk of experiencing an overdose should be transported to a hospital or a first responder should be summoned.

Any person or entity may lawfully possess, store, deliver, distribute, or administer an opioid overdose medication pursuant to a practitioner's prescription or order.

A pharmacist may dispense an opioid overdose medication pursuant to such a prescription and may administer an opioid overdose medication to a person at risk of experiencing an overdose. At the time of dispensing the medication, the pharmacist must provide written instructions on the proper response to an opioid-related overdose, including instructions for seeking immediate medical attention. The instructions to seek immediate medical attention must be conspicuously displayed.

The following individuals are not subject to civil or criminal liability or disciplinary action under the Uniform Disciplinary Act (UDA) for their authorized actions related to opioid overdose medications or the outcomes of their authorized actions if they act in good faith and with reasonable care: practitioners who prescribe, dispense, distribute, or deliver an opioid overdose medication; pharmacists who dispense an opioid overdose medication; and persons who possess, store, distribute, or administer an opioid overdose medication. The provision in the UDA related to naloxone is repealed.

"Opioid overdose medication" means any drug used to reverse an opioid overdose that binds to opioid receptors and blocks or inhibits the effects of opioids acting on those receptors, excluding intentional administration via the intravenous route. "Opioid-related overdose" means a condition, including extreme physical illness, decreased level of consciousness, respiratory depression, coma, or death, that results from consuming or using an opioid or another substance with which an opioid was combined, or that a lay person would reasonably believe to be an opioid-related overdose requiring medical assistance.

"First responder" is defined to mean a career or volunteer firefighter, law enforcement officer, paramedic, first responder, or emergency medical technician, as well as any entity that employs or supervises such an individual. "Standing order" and "protocol" mean written or electronically recorded instructions prepared by a prescriber for distribution and administration of a drug by designated and trained staff or volunteers of an organization or entity, as well as other actions and interventions to be used upon the occurrence of defined clinical events to improve patients' timely access to treatment.

Votes on Final Passage:

House	96	1	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate amended)

House 97 1 (House concurred)
Effective: July 24, 2015

HB 1674
C 156 L 15

Allowing youthful offenders who complete their confinement terms prior to age twenty-one equal access to a full continuum of rehabilitative and reentry services.

By Representatives Pettigrew, Walsh, Goodman, Walkinshaw, Kagi, Appleton, Reykdal, Moscoso, Ormsby, McBride and Jinkins; by request of Department of Social and Health Services.

House Committee on Public Safety
Senate Committee on Human Services, Mental Health & Housing

Background: Generally, youth under the age of 18 years old who are charged with a crime remain under the jurisdiction of the juvenile court. However, a juvenile can be declined to adult court and charged as an adult if: (a) the juvenile court, after a hearing, declines jurisdiction over the case (called "discretionary declines"); or (b) the juvenile court is statutorily required to decline jurisdiction and transfer the case to adult criminal court (called "automatic declines").

The juvenile court must automatically decline a juvenile if the juvenile is 16 or 17 years old and is charged with: (a) a serious violent offense; (b) a violent offense and the offender has certain criminal history consisting of serious felonies; (c) Robbery in the first degree, Rape of a Child in the first degree, or Drive-by Shooting; (d) Burglary in the first degree and the juvenile offender has a criminal history of one or more prior felonies or misdemeanors; or (e) any violent offense and the offender is alleged to have been armed with a firearm.

Juvenile Confinement. Most respondents adjudicated in juvenile court receive local sanctions, which can include up to 30 days of confinement in a juvenile detention center. The Juvenile Rehabilitation Administration (JRA), a division of the Department of Social and Health Services (DSHS), provides detention and other services for juvenile offenders who are not eligible for local sanctions. Confinement at the JRA occurs when a term of confinement is greater than 30 days and includes a minimum and maximum term of confinement.

Individuals who are declined from juvenile court jurisdiction are placed under the authority of the Department of Corrections (DOC). The DOC then makes an independent assessment to determine whether the needs and correctional goals of the child could better be met by programs and the housing environment provided by a juvenile correctional institution. Youthful offenders under the jurisdiction of the DOC must be housed separately from adult offenders.

Youthful Offender Program. Declined youth committed to the custody of the DOC become part of the Youthful Offender Program. The Youthful Offender Program is jointly operated by the JRA and the DOC. Generally, declined youth less than 18 years of age are housed at the JRA. If the youth is expected to complete the term of confinement before age 21, that youth remains at the JRA. If the youth is expected to serve a term of confinement beyond the age of 21 years old, the case is reviewed when the youth is age 18 years old to determine if the youth is able to serve the remaining time at the DOC.

The JRA currently houses approximately 45 youthful offenders. Of the 45 youth, 35 are between the ages of 18 and 21, and 10 youth are between the ages of 16 and 18. Seventeen of the youths will complete their sentence before the age of 21 years old.

Summary: Any youth convicted as an adult must initially be placed in a DOC facility to determine the child's earned release date (the anticipated date he or she will complete confinement).

Youth Turning 21 Years Old After Their Anticipated Release Date. If a youth is anticipated to complete his or her confinement before turning 21 years old, the DOC must transfer the child to the custody of the DSHS until such time he or she completes his or her term of confinement. While in the custody of the DSHS, the child must have the same treatment, housing options, transfer, and access to program resources as any other child committed directly to that juvenile correctional facility. Treatment, placement, and program decisions must be at the discretion of the DSHS. The youth may only be transferred back to the custody of the DOC with the approval of the DSHS or in instances where a youth turns 21 years old and has time remaining in his or her time of confinement.

If a child's sentence includes a term of community custody, the DSHS may only release that child to community custody upon the DOC's approval of the child's release plan. If the child is held past his or her release date pending approval, the DSHS must retain custody until such time the child's plan is approved or the child completes the ordered term of confinement.

In any instance where the DSHS determines that retaining custody of a child presents a safety risk, the child may be returned to the custody of the DOC.

Youth Turning 21 Years Old Before Their Anticipated Release Date. If an individual is anticipated to complete his or her confinement on or after turning 21 years old, the DOC must transfer the child to the custody of the DSHS, upon approval by the DSHS. Despite the transfer, the DOC will retain authority over the custody decisions and must approve any leave from the facility. While residing in a JRA facility, the DSHS has authority over all routine and day-to-day operations for the child while in their custody. When the child turns 21 years old, he or she must be transferred back to a DOC facility.

Votes on Final Passage:

House	96	1
Senate	49	0

Effective: July 24, 2015

ESHB 1695

C 142 L 15

Establishing a priority for the use, reuse, and recycling of construction aggregate and recycled concrete materials in Washington.

By House Committee on Environment (originally sponsored by Representatives Clibborn, Hayes, Ryu, Kochmar, Senn, Zeiger, Tarleton, Fey, Farrell, Harmsworth, Van Werven, Stanford, Fitzgibbon, Stokesbary, Wylie, Tharinger, Moscoso, Riccelli and Santos).

House Committee on Environment
House Committee on Transportation
Senate Committee on Transportation

Background: The Washington Department of Transportation (DOT) maintains standard specifications for road, bridge, and municipal construction. According to the DOT, the standard specifications are, with some limited exceptions, incorporated into the written agreement between the DOT and their contractors. These standard specifications include the maximum allowable percent, by weight, of recycled materials in road and bridge aggregate materials. The allowable percentages are based on the materials being recycled, such as hot mix asphalt, concrete rubble, and steel furnace slag, and the use of the material, such as crushed surfacing, gravel backfill, or ballast. Depending on the material and its use, the maximum allowable percentage of recycled material is either 0 percent, 20 percent, or 100 percent.

Summary: The DOT, together with cities, counties, and Washington-based construction industry associations (implementation partners) must develop and establish criteria and objectives for the reuse and recycling of commonly defined coarse and fine aggregate cement and concrete mixtures (construction aggregate and recycled concrete materials).

Beginning in 2016, all Washington roadway, street, highway, and transportation infrastructure projects undertaken by the DOT must use at least 25 percent construction aggregate and recycled concrete materials each year cumulatively across all projects if adequate amounts of materials are available and are cost effective.

Also beginning in 2016, any local government with 100,000 residents or more is required to solicit bids from contractors that propose to use recycled construction content. Once solicited, the local governments must compare the lowest responsible bid proposing to use recycled materials with the lowest responsible bid not proposing to use recycled materials and award the contract to the lowest responsible bidder proposing to use the highest percentage of recycled material if it is at no additional cost. Local governments with less than 100,000 residents must review their capacity for recycling and reusing construction materials, establish strategies for meeting that capacity, and begin implementing those strategies. Any local government with less than 100,000 residents, or any local government with jurisdiction over a public works transportation or infrastructure project, regardless of size, must also adopt standards as developed by the DOT for the use of recycled materials as shown in the DOT's standard specifications for road, bridge, and municipal construction.

The DOT and its implementation partners must report to the Legislature annually on the progress being made to reach the established recycling goals. The annual reports must be issued from the years 2017 until 2020.

Votes on Final Passage:

House	98	0
Senate	47	0

Effective: January 1, 2016

HB 1706

C 143 L 15

Authorizing waivers of building fees and services and activities fees for certain military service members.

By Representatives Stanford, Zeiger, Reykdal, Haler, Tarleton, Hayes, Sells, Stambaugh, Klippert, Smith and Gregerson; by request of State Board for Community and Technical Colleges.

House Committee on Higher Education
Senate Committee on Higher Education

Background: The United States (U.S.) Department of Defense Tuition Assistance Program offers up to 100 percent tuition assistance for those members of the U.S. Armed Forces who wish to take college courses during their off-duty hours. Members of the Army, Navy, Marines, and Air Force on active duty status may receive tuition assistance depending on their service branch's eligibility and application requirements. The National Guard, Coast Guard, and Army Reserve members on federal active duty status are also eligible. There may be additional tuition assistance eligibility requirements depending on the branch, such as a time-in-service requirement.

Tuition assistance can be used for qualifying courses and degree programs from two-year and four-year institutions. The standard tuition assistance is 100 percent, not to exceed $250 per semester credit hour or $166 per quarter credit hour, up to a total of $4,000 per fiscal year. An eligible U.S. Armed Forces member may receive tuition assistance up to a combined total of 130 semester hours for undergraduate credit and 39 semester hours of graduate credit. In 2014 the federal government changed the pro-

gram so tuition assistance only covers tuition. Fees, books, supplies, or programs beyond a master's degree are not covered.

Summary: The governing boards of the public institutions of higher education may waive all or a portion of building fees and services and activity fees for military service members eligible to participate in the U.S. Department of Defense Tuition Assistance Program.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: July 24, 2015

HB 1720

C 50 L 15

Concerning healthy housing.

By Representatives Robinson, Peterson, Stanford, Riccelli, Gregerson, Senn, Appleton, Ortiz-Self, Tarleton, Jinkins and Santos.

House Committee on Community Development, Housing & Tribal Affairs
Senate Committee on Human Services, Mental Health & Housing

Background: Low-Income Residential Weatherization Program. The Low-Income Residential Weatherization Program (Program) was established in 1987. The program is administered by the Department of Commerce (Commerce) and seeks to achieve monetary and energy savings for low-income households and other energy consumers by directing public and private weatherization resources from sponsoring entities or other sources to low-income households. Fund sources include the Weatherization Assistance Program (WAP) within the United States Department of Energy (DOE), the Bonneville Power Administration, and the Low-Income Home Energy Assistance Program within the United States Health and Human Services Department. Commerce also receives state funds, which are matched by utility companies that sell gas and electric heat. Commerce defines "low-income," but the amount may not exceed 80 percent of median household income, adjusted for household size, for the county in which the dwelling unit to be weatherized is located.

Weatherization services provided under the Program include energy and resource conservation, energy efficiency improvements, repairs, indoor quality improvements, health and safety improvements, and client education. Commerce solicits proposals for low-income weatherization programs from potential sponsors and allocates funding.

United States Department of Energy Weatherization Assistance Program/Weatherization Plus Health Initiative. The WAP was created in 1976 to assist low-income families who lacked resources to invest in energy efficiency. The WAP also plays a role in ensuring the health and safety of low-income homes. The DOE-funded Weatherization Plus Health Initiative connects the WAP network with providers of healthy homes services. Healthy homes services include lead hazard control, remediation of asthma triggers (including moisture, mold, and pests), reduction in exposure to radon and other toxic chemicals, and prevention of injuries caused by old or dilapidated housing.

United States Department of Housing and Urban Development. In 1999 the United States Department of Housing and Urban Development (HUD) created the Healthy Homes Initiative. Under the Healthy Homes program, the HUD addresses multiple childhood diseases and injuries in the home and environmental health and safety concerns including mold, lead, allergens, asthma, carbon monoxide, home safety, pesticides, and radon through grants that focus on developing low-cost methods for hazard assessment, and educating residents and communities on how to mitigate hazards. The HUD specifies seven healthy home principles to keep a healthy home, including keeping homes, clean, safe, and contaminant free.

Summary: Sponsors submitting proposals under the Program may propose to use grant awards and matching funds to make healthy housing improvements to homes undergoing weatherization. Projects that improve the health and safety of residents are added to the types of projects that receive prioritized funding from the Program. Commerce must also develop policies that improve the health and safety of residents in homes and buildings requiring improvements.

Healthy housing is defined as increasing the health and safety of a home by integrating energy efficiency activities and indoor environmental measures, consistent with the Weatherization Plus Health Initiative of the DOE and the healthy housing principles adopted by the HUD.

Votes on Final Passage:

House	74	23
Senate	48	1

Effective: July 24, 2015

SHB 1721

C 157 L 15

Concerning the transport of patients by ambulance to facilities other than hospitals.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Robinson, Schmick, Cody, Harris, Riccelli and Van De Wege).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Ambulance services provide transportation services for the ill and injured according to patient care procedures. Patient care procedures are written guidelines

adopted by regional emergency medical services and trauma care councils that identify several elements necessary to coordinate the provision of emergency services, including the type of facility to receive the patient.

Medicaid covers ambulance transportation in several different cases. Generally, service is covered when it is medically necessary based on the client's condition at the time of the trip, it is appropriate to the client's actual medical need, and it is to a destination that is a contracted Medicaid provider or the appropriate trauma facility.

Summary: The Department of Health and the Department of Social and Health Services must convene a work group. The work group must establish alternative facility guidelines for the development of protocols, procedures, and applicable training for ambulance services to transport patients in need of mental health or chemical dependency services. The guidelines must establish when transport to a mental health facility or chemical dependency treatment program is required as indicated by the presence of a medical emergency, the severity of the patient's behavioral health needs, the training of emergency medical service personnel, and the risk posed by the patient to himself or herself or to others. The work group must include members of the Emergency Medical Service and Trauma Care Steering Committee, mental health providers, ambulance services, firefighters, and chemical dependency treatment programs. The guidelines must be completed by July 1, 2016, and be distributed to regional emergency medical services and trauma care councils for inclusion in their regional plans.

Ambulance services are given specific authority to transport patients to nonmedical facilities, such as mental health facilities and chemical dependency treatment programs. Immunity from liability that generally applies to emergency medical services providers is extended to acts or omissions by those providers when transporting a patient to a mental health facility or chemical dependency treatment program in accordance with regional alternative facility procedures.

The Health Care Authority must develop a reimbursement methodology for ambulance services in cases when they transport Medicaid clients to a mental health facility or chemical dependency treatment program in accordance with regional alternative facility procedures.

Votes on Final Passage:

House	95	2
Senate	47	0

Effective: July 24, 2015

SHB 1727

C 158 L 15

Modifying the definition of health care facility relating to nursing assistants' practice settings.

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

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Nursing Assistants. Nursing assistants assist in the delivery of nursing and nursing-related activities to patients in a health care facility under the direction and supervision of a registered nurse or a licensed practical nurse. The Department of Health (DOH) registers nursing assistants and certifies those who complete required education and training as determined by the Nursing Care Quality Assurance Commission (Nursing Commission). "Health care facility" is defined as a nursing home, hospital, hospice care facility, home health care agency, hospice agency, or other entity for delivery of health care services as defined by the Nursing Commission.

Licensed Service Providers. Under the Community Mental Health Services Act, a "licensed service provider" is: a licensed entity; an entity that has an agreement with the Department of Social and Health Services and that meets state minimum standards as a result of accreditation by a recognized behavioral health accrediting body; or an allopathic or osteopathic physician, registered nurse, advanced registered nurse practitioner, or psychologist.

Summary: For purposes of the regulation of nursing assistants, the definition of "health care facility" includes licensed service providers under the Community Mental Health Services Act, other than individual health care providers.

Votes on Final Passage:

House	98	0
Senate	47	0

Effective: July 24, 2015

SHB 1730

C 51 L 15

Concerning the handling of earnest money.

By House Committee on Business & Financial Services (originally sponsored by Representatives Kirby and Vick).

House Committee on Business & Financial Services
Senate Committee on Financial Institutions & Insurance

Background: Earnest Money. Many real estate transactions use an earnest money deposit provision. In these arrangements, one party (typically the purchaser) agrees in the purchase and sale agreement to deposit a sum of money with a third party. A party forfeits the deposit by

breaching the contract, allowing the other party to keep the money. Courts treat these arrangements as a form of liquidated damages.

Enforcement of an identified earnest money clause is guaranteed regardless of actual damages so long as the clause satisfies the following requirements: the agreement must (1) designate payments as an earnest money deposit and (2) provide that forfeiture of the deposit is the seller's exclusive remedy if another party reneges on the agreement.

Earnest money deposits in real estate transactions are typically held by an escrow agent, a real estate firm, or a title insurance agent.

Interpleader Actions. An interpleader action is a lawsuit in which the holder of a sum of money or other property deposits the money or property with the court and names as defendants the parties who assert rival claims to the money. The court then determines the ownership of the money or property, and the original holder is absolved of responsibility.

In most lawsuits, including interpleader, the defendants to the suit must be personally served with a summons and a copy of the complaint. There are a variety of exceptions to the personal service requirement, such as for minors, self-insurance programs, and foreign or alien steamship companies.

Summary: Procedures After a Demand on Earnest Money. The holder of an earnest money deposit is given specific procedures to follow when it receives a written demand for all or part of the earnest money. The act applies only to transactions involving residential real property, whether improved or unimproved.

Within 15 days from the receipt of a written demand from a party to the transaction, the holder must either: (1) notify all other parties of the demand; (2) release the earnest money to one or more of the parties; or (3) commence an interpleader action in superior court.

If the holder opts to notify other parties, the holder's notice must be in writing, sent by both United States Postal Service mail and electronic mail (e-mail) to the parties' last known addresses, and include a copy of the demand. It must also contain a statement that:

- the parties have 20 days from the mailing date of the holder's notice to provide notice of their own objection to the release of the earnest money; and
- their failure to deliver a timely written objection within 20 days will result in a release of the earnest money to the party that made the original demand.

The holder of earnest money may use e-mail and mailing address information provided by the parties and is not obligated to search for that information outside its own records. If it does search outside its records, it is not liable for failing to locate such information.

If the holder receives an objection within 20 days, it must file an interpleader action in superior court within 60 days of receiving the objection or an inconsistent demand. However, the holder may release the funds or delay filing the interpleader action if it receives consistent instructions to do so from the parties after their initial objections. If the holder receives no objections, it must deliver the earnest money to the demanding party within 10 days after the 20-day period expires. The holder may also file an interpleader action at any time, even if no conflicting demands were received.

If the holder of the earnest money follows the procedures for responding to a demand for earnest money, it is not liable to any person for releasing the earnest money to the demanding party, unless it releases the funds on the initial demand without waiting for objections of filing an interpleader action.

The procedures for responding to a demand for earnest money apply to all earnest money held by the holder on the act's effective date, even if it was received before that date.

Interpleader Action: Form Summons and Complaint. A form summons and complaint are provided for interpleader actions filed by a holder. The court must award reasonable attorneys' fees and court costs to the holder.

Personal Service of Summons Not Required. If the holder files an interpleader action, the personal service requirement is satisfied if the holder sends the summons and complaint to each party by first-class mail at the party's usual mailing address or the address designated in the purchase and sale agreement.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 24, 2015

SHB 1738

C 9 L 15 E 2

Concerning marine, off-road recreational vehicle, and snowmobile fuel tax refunds based on actual fuel taxes paid.

By House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hayes, Fey, Hargrove, Farrell, Zeiger, Moscoso, Muri, Condotta, Buys and Harmsworth).

House Committee on Transportation
Senate Committee on Transportation

Background: Non-highway and off-road fuel tax refunds are calculated using a lower fuel tax rate than the actual motor vehicle fuel tax rate. As a result, some fuel taxes paid by non-highway and off-road vehicle (ORV) users are incorporated into the state's transportation budget and used for highway purposes by state agencies, cities, and counties. In 1990 the fuel tax was increased to 23 cents per gallon, and refunds were limited to 18 cents per gallon for off-road and non-highway users. In 2003 when the fuel tax

was increased to 28 cents, the refund rate was increased by 1 cent per gallon per biennium, ending at 23 cents per gallon after July 1, 2011. The full 5-cents increase of the "Nickel Package" was dedicated to state projects, and other highway purposes. In 2005 when the fuel tax was increased by 9.5 cents, the refunds remained at 23 cents, and the full 9.5 cents were used for state and local highway projects, and other highway purposes.

Marine Fuel Tax Refunds. After taking into account past and anticipated claims for refunds, 23 cents per gallon is transferred monthly to the Recreation Resources Account, for administration by the Recreation and Conservation Funding Board, to benefit watercraft recreation.

Off-Road Vehicle Fuel Tax Refunds. One percent of the motor vehicle fuel tax revenues, which are paid by ORV users, which is equivalent to 23 cents per gallon of ORV fuel tax, is divided between two accounts:

- the ORV and Non-Highway Vehicle Account—41.5 percent, for the development and maintenance of non-highway roads and recreation facilities, administered by the Department of Natural Resources, the Washington Department of Fish and Wildlife, and the State Parks and Recreation Commission; and
- the NOVA Program Account—58.5 percent, for the development and management of ORV, non-motorized, and non-highway road recreation facilities, administered by the Recreation and Conservation Office's Recreation and Conservation Funding Board.

Very few non-highway refunds are actually made. Most off-road fuel tax refunds are transferred to the dedicated accounts listed above.

Snowmobile Fuel Tax Refunds. The Department of Licensing determines the fuel tax paid on snowmobile fuel. The snowmobile fuel tax refund amount is determined by multiplying the number of registered snowmobiles by 135 gallons as the average yearly amount of fuel used and a fuel tax rate of 23 cents per gallon. This amount is transferred to the Snowmobile Account administered by the State Parks and Recreation Commission. The funds are used for snowmobile recreational areas. No individual refunds are made.

Summary: The fuel tax rate for marine, ORV, and snowmobile fuel tax refunds and transfers is maintained at 23 cents per gallon through June 30, 2031. The fuel tax rate for marine, ORV, and snowmobile fuel tax refunds and transfers is changed beginning on July 1, 2031, and thereafter. The refunds and transfers will be based on the state's fuel rate in existence at the time of the fuel purchase.

Votes on Final Passage:

House	98	0

Second Special Session

House	89	0
Senate	43	0

Effective: September 26, 2015

SHB 1749
C 52 L 15

Concerning contractor registration requirements for owners of property.

By House Committee on Labor (originally sponsored by Representatives MacEwen, Manweller and Condotta).

House Committee on Labor
Senate Committee on Commerce & Labor

Background: The Contractor Registration Act requires general and specialty contractors to register with the Department of Labor and Industries (Department). Applicants must obtain a bond and insurance to register.

"Contractor" is defined as including any entity who, in the pursuit of an independent business, undertakes to or submits a bid to construct, improve, develop or take specified other actions with respect to a building, development, or other structure listed in statute. Specifically included in the definition is an owner who offers to sell property without occupying or using the structure, project, development, or improvement for more than one year after it was substantially completed or abandoned.

The exemptions from registration include an owner who contracts with a registered contractor. However, this exemption does not apply to a person who performs the activities of a contractor for the purpose of leasing or selling improved property he or she has owned for less than 12 months.

Summary: The provision making an owner a "contractor" if he or she offers to sell improved property without occupying or using it for more than one year is modified. A person is not a contractor under this provision if the person contracts with a registered general contractor and does not superintend the work.

Votes on Final Passage:

House	98	0
Senate	46	0

Effective: July 24, 2015

HB 1779
C 159 L 15

Requiring specialized training for persons conducting victim interviews as part of the disciplinary process for a health professional alleged to have committed sexual misconduct.

By Representatives Van De Wege, Johnson, Harris, Jinkins and Tharinger.

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: Credentialed health care providers are subject to professional discipline under the Uniform Disciplinary Act (UDA). Under the UDA, the disciplining authority may take action against a provider for a variety of reasons, including unprofessional conduct, unlicensed practice, and the mental or physical inability to practice skillfully or safely. The Secretary of Health is the disciplining authority for many providers, and various boards and commissions are the disciplining authorities for the remainder.

The UDA allows (and in some cases requires) individuals and organizations to file reports or complaints about health care providers. Once a disciplining authority receives a complaint, it makes a threshold determination as to whether the conduct in the complaint constitutes a violation of the law and whether the disciplining authority has the legal authority to take action. If a complaint does not meet this threshold, it is closed. If it does, the disciplining authority conducts an investigation. After the investigation, if the evidence supports the complaint, the disciplining authority may institute disciplinary proceedings against the provider. Disciplinary proceedings may be resolved in a variety of ways, including a formal hearing (pursuant to the Administrative Procedures Act) or a stipulated agreement.

If the alleged unprofessional conduct involves only sexual misconduct, the Secretary of Health serves as the sole disciplining authority. A board or commission that receives such a complaint must forward the matter to the Secretary of Health.

Summary: Beginning July 1, 2016, for all complaints alleging sexual misconduct, all victim interviews conducted as part of an investigation must be conducted by a person who has successfully completed a training program on interviewing victims of sexual misconduct in a manner that minimizes the negative impacts on victims. The training may be provided by the disciplining authority, the Department of Health, or an outside entity. When determining the type of training that is appropriate, the disciplining authority must consult with a statewide organization that provides information, training, and expertise to persons and entities who support victims, family and friends, the general public, and other persons whose lives have been affected by sexual assault.

Votes on Final Passage:

House	92	5
Senate	46	2

Effective: July 24, 2015

SHB 1806
C 53 L 15

Correcting references to elections statutes.

By House Committee on State Government (originally sponsored by Representatives Van Werven, Bergquist, Holy, Appleton, Gregory and S. Hunt).

House Committee on State Government
Senate Committee on Government Operations & Security

Background: In 2003 election laws were reorganized and recodified. However, cross-references in other statutes were not corrected. In the ensuing years, changes to the laws such as adoption of two different primary systems and vote by mail, have resulted in many erroneous references to election laws.

Summary: Technical changes are made to correct cross-references to election laws and repealed policies.

Votes on Final Passage:

House	96	1
Senate	47	0

Effective: July 24, 2015

E2SHB 1807
C 186 L 15

Assisting small businesses licensed to sell spirits in Washington state.

By House Committee on Appropriations (originally sponsored by Representatives Condotta and Hurst).

House Committee on Commerce & Gaming
House Committee on Appropriations
Senate Committee on Commerce & Labor

Background: Spirits Retail Licensees. Businesses licensed by the Liquor Control Board (LCB) to sell spirits at the retail level are designated as "spirits retail licensees." Such licensees generally fall into two categories: (1) grocery stores and other large retail establishments encompassing at least 10,000 feet of retail space; and (2) smaller liquor stores that are either former state-owned liquor stores or former "contract liquor stores" that sold liquor on behalf of the state pursuant to contracts with the LCB prior to the passage of Initiative Measure No. 1183 in 2011.

License Issuance Fee. All spirits retail licensees must pay an annual license issuance fee to the LCB. Large spirits retail licensees, with retail space exceeding 10,000 square feet, must pay a license issuance fee equivalent to

17 percent of all spirit sales revenues. Beginning on June 30, 2013, former state liquor stores and former contract liquor stores were granted a limited exemption from the payment of the 17 percent license issuance fee for specified types of spirits sales. Specifically, such stores are exempt from payment of the 17 percent fee with respect to spirits sales to those retailers licensed to sell spirits for consumption on the premises (i.e., bars and restaurants).

Spirits Delivery Locations. A spirits retail licensee must accept delivery of spirits shipments either at its licensed premises or at one or more warehouse facilities that have been registered with the LCB.

Summary: The LCB may not assess a monetary penalty exceeding 1 percent of the balance due against a licensee that fails to timely pay the license issuance fee.

For the purpose of negotiating volume discounts, a group of spirits retail licensees may accept delivery of spirits at their individual licensed premises, or at any one of the individual licensees premises, at a warehouse facility registered with the LCB.

Votes on Final Passage:

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

Effective: July 24, 2015

SHB 1813

C 3 L 15 E 1

Expanding computer science education.

By House Committee on Appropriations (originally sponsored by Representatives Hansen, Magendanz, Reykdal, Muri, Tarleton, Zeiger, Lytton, Haler, Senn, Harmsworth, Tharinger, Young, Walkinshaw, Stanford, S. Hunt and Pollet).

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

Background: Endorsements. There are several pathways to endorsement and different types of endorsements. For example, academic endorsements and Career and Technical Education (CTE) endorsements differ—a CTE endorsed teacher may only teach CTE courses, and these courses often will not apply toward core education requirements. There is no academic endorsement for computer science, only a CTE endorsement, which teachers may obtain by demonstrating to a teacher preparation program that they have experience in the field and have met the program's requirements.

Conditional Scholarship for Educators. A conditional scholarship is a loan that is forgiven in whole or in part in exchange for service as a certificated teacher at a K-12 public school. The state forgives one year of loan obligation for every two years a recipient teaches in a Washington K-12 public school. When a recipient fails to continue with the required course of study or teaching obligation, the recipient must repay the remaining loan principal with interest.

The Retooling Mathematics and Sciences Conditional Scholarship Program requires a K-12 teacher, or certificated elementary educator who is not employed in a position requiring an elementary education certificate, to pursue an endorsement in math or science to be eligible for the program. The conditional scholarship amount is determined by the Student Achievement Council, may not exceed $3,000 per year, and is applied to the cost of tuition, fees, and educational expenses.

Summary: Endorsements and Standards. The OSPI and the Professional Educator Standard Board (PESB) must adopt computer science learning standards developed by a nationally recognized computer science education organization. The PESB must also develop standards for a K-12 computer science endorsement, which must facilitate dual endorsement in computer science and mathematics, science, or another related high-demand endorsement.

Conditional Scholarship for Educators. The Retooling to Teach Mathematics and Sciences Conditional Scholarship Program is renamed the Educator Retooling Conditional Scholarship Program. A K-12 teacher, or certificated elementary educator who is not employed in a position requiring an elementary education certificate, may qualify for the conditional scholarship program by pursuing an endorsement in a subject or geographic endorsement shortage area, as defined by the Professional Educator Standards Board.

Votes on Final Passage:

House	91	7
First Special Session		
House	88	4
Senate	43	0

Effective: August 27, 2015

HB 1817

C 160 L 15

Providing liability immunity for local jurisdictions when wheeled all-terrain vehicles are operated on public roadways.

By Representatives Shea, Taylor, Holy, Scott, Griffey, Reykdal and Condotta.

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Wheeled All-Terrain Vehicles. In 2013 a new classification of vehicles was established known as wheeled all-terrain vehicles (WATVs). These are motorized non-highway vehicles and utility vehicles that meet certain height, width, weight, and wheel requirements.

Authorized and Prohibited Uses. The WATV designation allows off-road and, in certain circumstances, on-road use. A person may operate a WATV on any public roadway, not including nonhighway roads and trails, at a speed of 35 miles per hour or less subject to certain restrictions. A person may not operate a WATV on a state highway and may not cross a public roadway with a speed in excess of 35 miles per hour. A person also may not operate a WATV within the boundaries of a county with a population of 15,000 or more unless the county, by ordinance, has approved the operation of WATVs on roadways. A person is further prohibited from operating a WATV within the boundary of a city or town unless the city or town has approved operation of WATVs.

Operational Requirements. In order to operate a WATV off road, a person must:

- have a metal tag issued by the Department of Licensing (DOL) of the same size as a motorcycle license plate; and
- have a current and proper WATV off-road vehicle registration and tab.

In addition to the above requirements, a person may also operate a WATV on certain public roads if:

- the WATV meets certain equipment standards, such as headlight, taillight, stoplight, and reflector requirements;
- the person has a current and proper WATV on-road vehicle registration and tab; and
- the person provides a required declaration.

Declaration Requirements. In addition to equipment and registration requirements, a person who operates a WATV on a public roadway must provide a declaration that includes the following:

- documentation of a safety inspection;
- a vehicle identification number; and
- a release signed by the owner that: (1) releases the state from liability and (2) outlines that the owner understands that the original WATV was not manufactured for on-road use and has been modified for use on public roads.

Summary: A person who operates a WATV on any public roadway, not including nonhighway roads and trails, is subject to the statutorily authorized and prohibited uses for WATVs.

The release of liability signed by the WATV operator must be on a form supplied by the DOL. The list of governmental entities released from liability by the release is expanded to include counties, cities, and towns.

Votes on Final Passage:

House	96	2
Senate	47	0

Effective: July 24, 2015

HB 1819

C 54 L 15

Concerning appointments to inspect the books of account of a political committee or a candidate committee.

By Representatives Wilson, Griffey, Dent, Van Werven, Caldier, Pike, Shea, Vick, Harmsworth and Condotta.

House Committee on State Government
Senate Committee on Government Operations & Security

Background: In 1972 the voters passed Initiative 276, which required the disclosure of campaign finances, lobbyist activities, and financial affairs of elective officers and candidates. The initiative created the Public Disclosure Commission (PDC), a five-member, bipartisan citizen commission, to enforce the provisions of the campaign finance disclosure law.

The Fair Campaign Practices Act was enacted following the passage of Initiative 134. The initiative imposed campaign contribution limits on elections for statewide and legislative office, further regulated independent expenditures, and restricted the use of public funds for political purposes.

Every political committee is required to file a statement of organization with the PDC within two weeks of its organization or within two weeks after the date the committee expects to either receive contributions or make expenditures in any election campaign, whichever is earlier. The statement of organization must include, among other things, the name and address of its treasurer and depository.

Political committees must report contributions and expenditures to the PDC on a monthly basis as long as contributions or expenditures exceed $200 since the last report. A listing of the names and addresses of persons making contributions of $25 or more must be included in the report.

The treasurer is required to maintain books of account that accurately reflect all contributions and expenditures. The books of account must be open for public inspection all business days between 8 a.m. and 8 p.m. beginning, eight days before and up to the day of the election. An inspection must be allowed within 24 hours of the time the appointment is made. It is unlawful to refuse to allow or keep an appointment for an inspection of the books of account.

Summary: A person wishing to inspect the books of account must provide the treasurer with his or her telephone number and must provide photo identification prior to inspecting the books of account. A treasurer may refuse to show the books of account to any person who does not make an appointment or provide the required identification.

Votes on Final Passage:

House	67	31
Senate	44	0

Effective: July 24, 2015

ESHB 1842

C 11 L 15 E 3

Concerning transit agency coordination.

By House Committee on Transportation (originally sponsored by Representatives Farrell, Hargrove, Fey, Harmsworth, Senn, Wylie, Gregerson, Robinson, Walkinshaw, Zeiger, Fitzgibbon, Moscoso, Tarleton and Clibborn).

House Committee on Transportation

Background: Transit Reporting Requirements. Each September, transit agencies in Washington are required to submit six-year transit development plans for that year and the ensuing five years, as well as system reports identifying public transportation services provided in the previous year and objectives for improvements. Similar reports are due to the Federal Transit Administration at the same time.

Based on information that is submitted in the system reports, the Washington State Department of Transportation (WSDOT) must prepare an annual report that summarizes individual public transportation systems. This report is due December 1 of each year to the transportation committees of the Legislature and each state municipality.

Regional Mobility Grants. The regional mobility grant program provides $50 million per biennium to aid local governments in funding projects that reduce delays for people and goods and improve connectivity between counties and regional population centers. This includes projects such as intercounty connectivity service, park and ride lots, rush hour transit service, and capital projects that improve the connectivity and efficiency of the transportation system.

The WSDOT must to submit a prioritized list to the Legislature by December 1 of each year of all the projects requesting funding. When prioritizing projects, the WSDOT must insure that the projects are consistent with various state, regional, and local plans, and must take into consideration the following criteria:

- enhancing the efficiency of regional corridors in moving people among jurisdictions and modes of transportation;
- energy efficiency issues;
- reducing delay for people and goods;
- freight and goods movement as related to economic development;
- regional significance;
- rural isolation;
- the leveraging of other funds; and
- safety and security issues.

The WSDOT must also take into consideration the objectives of the following programs and acts when prioritizing projects:

- the Growth Management Act;
- the High Capacity Transportation Act;
- the Commute Trip Reduction Act;
- transportation demand management programs;
- federal and state air quality requirements; and
- the federal Americans with Disabilities Act and related state accessibility requirements.

Summary: The WSDOT is required to develop an annual report regarding transit agency coordination in counties with a population of 700,000 or more that border the Puget Sound, which currently includes King, Pierce, and Snohomish counties. By December 1 of each year, the report must be made available to the transportation committees of the Legislature and each transit authority in those same counties.

By September 1 of each year, all transit agencies in a county with a population of 700,000 or more that borders the Puget Sound are required to report to the WSDOT on their coordination efforts in the following areas:

- integrating marketing efforts;
- aligning fare structures;
- integrating service planning;
- coordinating long-range planning, including capital projects planning and implementation;
- integrating other administrative functions and internal business processes as appropriate; and
- integrating certain customer-focused tools and initiatives.

The regional mobility grant criteria are modified by adding coordination and integration to the criteria upon which the grants are awarded to the agencies in King, Pierce, and Snohomish counties.

A new transit coordination grant program is created within the WSDOT and expires in five years, on July 1, 2020. The grants from the program are only available to transit agencies located in counties with a population of 700,000 or more that border the Puget Sound. The grants must be proposed jointly by two or more transit agencies, are intended to encourage joint planning and coordination, and must include measurable outcomes.

Upon completion of the project, transit coordination grant recipients must provide a report to the WSDOT that includes the following:

- an overview of the project;
- how the grant funds were spent;
- the extent to which intended project outcomes were met; and
- identified best practices.

The WSDOT must provide an annual report to the transportation committees of the Legislature on the transit coordination grants that were awarded, and the report must include data to determine if completed transit coordination grant projects produced the anticipated outcomes included in the grant applications.

Votes on Final Passage:
Third Special Session

House	98	0
Senate	45	0

Effective: July 6, 2015

ESHB 1844
C 282 L 15

Concerning work performed on ferry vessels and terminals.

By House Committee on Transportation (originally sponsored by Representatives Moscoso, Kochmar, Clibborn, Fey, Appleton, Ortiz-Self and Tarleton).

House Committee on Transportation
Senate Committee on Transportation

Background: The Washington State Ferries (WSF) division of the Washington State Department of Transportation (WSDOT) operates and maintains ferry vessels and terminals, constructs terminals, and acquires vessels. The system serves eight Washington counties and one Canadian province through 23 vessels and 20 terminals.

As part of the marine highway system, the WSF is subject to a $60,000 limit on work that can be performed by state forces on state highways.

Since March 15, 2010, the dollar limit was increased by the Legislature to $120,000, except for a brief period between July 1, 2013 and March 14, 2014 when the dollar limit was $60,000.

Through June 30, 2015, the WSF is subject to a $120,000 limit on work that can be performed by state forces on state highways.

Summary: The dollar threshold is permanently increased for work that may be performed on ferry vessels and terminals by state forces from $60,000 to $100,000.

For work between $100,000 and $200,000, the WSDOT must first contact contractors on their small works roster to gauge their interest and availability to do the work. The contractors have 72 hours to respond to the WSDOT. If any contractor is interested and capable to do the work, the WSDOT must follow the small works roster procedures. If no qualified contractors respond with interest and availability, the WSDOT may use its regular contracting procedures. Additionally, if the Secretary of Transportation determines that the work to be completed is an emergency, then the WSDOT procedures governing emergencies apply.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 1, 2015

SHB 1851
C 144 L 15

Creating an expedited permitting and contracting process for bridges owned by local governments that are deemed structurally deficient.

By House Committee on Environment (originally sponsored by Representatives Hayes, Bergquist, Zeiger, Takko, Harmsworth, Wilson, Griffey, Hargrove, Smith and Magendanz).

House Committee on Environment
Senate Committee on Transportation

Background: The State Environmental Policy Act (SEPA) establishes a review process for state and local governments to identify environmental impacts that may result from governmental decisions, such as the issuance of permits. Except for projects that are exempt from SEPA requirements, the SEPA generally requires a project applicant to submit an environmental checklist that includes answers to questions about the potential impacts of the project on the built and natural environments. Generally, an environmental impact statement must be prepared for a proposal that the lead agency determines will have a probable significant, adverse impact on the environment. The information collected through the SEPA review process may be used to change a proposal to mitigate likely impacts or to condition or deny a proposal when adverse environmental impacts are identified. The SEPA statute and rules contain exemptions for certain actions that do not require the submission of a checklist or the development of an environmental impact statement. Among the activities exempted in SEPA rules adopted by the Department of Ecology (ECY) are repair projects for roads, bridges, and other transportation infrastructure that are undertaken by the Washington State Department of Transportation (WSDOT), that take place within an existing right-of-way, and that do not add automobile lanes or otherwise change the capacity or function of the infrastructure.

In the event that an accident, earthquake, or other emergency damages or jeopardizes a state highway, the WSDOT may obtain at least three bids from prequalified contractors to reconstruct or repair the bridge without publishing a call for bids under typical public works contracting procedures. Under this expedited contracting process, the WSDOT must award a contract to the lowest responsible bidder. The WSDOT is required to notify any association or organization of contractors that has filed a request to receive regular notification about emergency projects.

The WSDOT evaluates and rates several aspects of the design, function, and condition of bridges in the state. Bridges deemed to be in poor condition, which is the lowest bridge condition rating, show advanced deficiencies, such as cracking, deterioration, or seriously affected primary structural components. Likewise, the Federal Highway Administration maintains a national bridge inventory, which contains information about the use, size, location,

design, and condition of bridges nationwide. In the national bridge inventory, the condition of bridges is evaluated on a scale of zero to nine, with zero being designated for failed, out-of-service bridges beyond corrective action and nine being designated for bridges in excellent condition. A bridge rating of four indicates poor condition, which is indicated by spalling (a depression in concrete caused by the separation of surface concrete), scour (erosion of bank or streambed material around bridge piers or abutments), and other signs of bridge component corrosion.

Summary: The ECY is directed to amend SEPA rules so that the categorical exemption available to WSDOT infrastructure projects is also available for repair or replacement projects involving a structurally deficient city, town, or county bridge.

Cities, towns, and counties may use the expedited contracting process currently available to the WSDOT in order to repair or replace a structurally deficient bridge.

To be classified as structurally deficient, a bridge must have a poor condition classification in the state bridge rating system and must feature a deck, superstructure, or substructure rating of four or below in the national bridge inventory. Structurally deficient bridges are also described as possessing reduced load-carrying capacity and deteriorated conditions of significant bridge elements.

Votes on Final Passage:

House	98	0
Senate	43	5

Effective: July 24, 2015

SHB 1853

C 220 L 15

Encouraging utility leadership in electric vehicle charging infrastructure build-out.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Magendanz, Bergquist, Morris, Muri, Tarleton, Fitzgibbon and Tharinger).

House Committee on Technology & Economic Development

Senate Committee on Energy, Environment & Telecommunications

Background: Utilities and Transportation Commission. The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of privately-owned utilities and transportation companies. Among the companies under regulation by the UTC are electrical and natural gas companies. The UTC is required to ensure that rates charged by these companies are "fair, just, and reasonable."

Rate of Return on Investment. Under regulation by the UTC, the rates to be charged by privately-owned utilities are calculated from a utility's rate base and rate of return allowed on its rate base. A utility's rate base is the total nondepreciated value of its property and equipment used to provide utility service to ratepayers. "Rate of return" is the level of profit and the cost of debt that a utility is allowed to return on its rate base through rates charged to utility customers.

In establishing rates for gas and electrical companies, the UTC must allow an incentive rate of return on investment for certain programs or projects, including those to improve the efficiency of energy end-use or to generate renewable energy. The incentive rates of return on investment to be allowed are established by adding an increment of 2 percent to the rate of return on common equity permitted on the company's other investments.

Summary: In establishing rates for gas and electrical companies, the UTC must consider policies to improve access to and promote fair competition in the provision of electric vehicle supply equipment (EVSE) build-out. These policies may include, but are not limited to, allowing a rate of return on investment on capital expenditures for EVSE that is deployed for the benefit of ratepayers, provided that the capital expenditures do not increase costs to ratepayers in excess of 0.25 percent.

A rate of return on investment for EVSE build-out may only be allowed if the company chooses to pursue capital investment in EVSE on a fully regulated basis similar to other capital investments behind a customer's meter. The incentive rate of return is established by adding an increment of up to 2 percent to the rate of return on common equity permitted on the company's other investments.

Eligible capital investments in EVSE are limited to those that are installed after July 1, 2015, and which are expected to result in real and tangible EVSE being installed and located where electric vehicles are most likely to be parked for intervals longer than two hours.

A rate of return on investment for EVSE build-out may only be earned for a period up to the depreciable life of the asset. When the capital investment has fully depreciated, an electrical company may gift the EVSE to the owner of the property on which it is located.

By December 31, 2017, the UTC must report to the Legislature with regard to the use of any incentives allowed for EVSE, the quantifiable impacts of the incentives on actual electric vehicle deployment, and any recommendations to the Legislature about utility participation in the electric vehicle market.

Votes on Final Passage:

House	71	27	
Senate	33	16	(Senate amended)
House	67	31	(House concurred)

Effective: July 24, 2015

EHB 1859
C 4 L 15 E 1

Concerning the amendment, recodification, decodification, or repeal of statutes relating to state capital construction funds and accounts and bond authorizations that are inactive, obsolete, or no longer necessary for continued publication in the Revised Code of Washington.

By Representatives Kilduff, Smith and Dunshee; by request of State Treasurer.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Legislation enacted in 2013 required the Office of the State Treasurer, the Office of Financial Management, and the Code Reviser to review state statutes related to state capital construction funds, accounts and bond authorizations. Based on the review, they were required to submit legislation in 2015 to amend, repeal, or decodify statutes that are inactive, obsolete, or no longer necessary for continued publication in the Revised Code of Washington (RCW).

Summary: A number of statutes related to state capital construction funds, accounts, and bond authorizations that are inactive, obsolete, or no longer necessary for continued publication in the RCW are decodified, recodified, amended, or repealed.

Votes on Final Passage:

House	98	0

First Special Session

House	92	0
Senate	43	0

Effective: August 27, 2015

EHB 1868
C 223 L 15

Expanding county road fund purposes for certain counties.

By Representatives Lytton and Morris.

House Committee on Local Government
Senate Committee on Government Operations & Security
Senate Committee on Transportation

Background: The Motor Vehicle Fund. Under the 18th Amendment to the Washington Constitution, vehicle licensing fees, motor vehicle fuel taxes, and all other state revenue intended to be used for highway purposes must be paid into the State Treasury, placed in the Motor Vehicle Fund (MVF), and used only for highway purposes. Highway purposes include expenditures on construction, reconstruction, maintenance, repair, and betterment of public highways, county roads, bridges, and city streets. Highway purposes also include the operation of ferries that are a part of any public highway, county road, or city street.

The Rural Arterial Trust Account. Within the MVF is the Rural Arterial Trust Account (RATA). All moneys in the RATA must be expended for: (1) the construction and improvement of county rural arterials and collectors; (2) the construction of replacement bridges funded by the federal bridge replacement program on access roads in rural areas; and (3) those expenses of the County Road Administration Board associated with the administration of the Rural Arterial Program.

To be eligible to receive funds from the RATA, counties must spend all revenues collected for road purposes only for purposes allowed under statute and the Washington Constitution. Allowable road purposes specifically include removal of barriers to fish passage and accompanying streambed and stream bank repair, and traffic law enforcement. The eligibility restriction does not apply to:

- counties with a population of less than 8,000;
- counties that expend revenues collected for road purposes only on other governmental services after authorization from county voters; and
- monies diverted from the road district levy under applicable community revitalization financing statutes.

County Road Funds. In each county, there is a fund known as the county road fund (CRF). Any funds that accrue to the county for use upon the roads must be credited and deposited into the CRF.

The CRF may receive funds from sources such as: (a) levies made by the county legislative authority for the purpose of raising revenue to establish, lay out, construct, alter, repair, improve, and maintain county roads, bridges, and wharves necessary for vehicle ferriage, and other proper county purposes; (b) the MVF; and (c) reimbursements by the federal government for expenditures made from the CRF.

Money paid to a CRF may be used for purposes enumerated such as:

- the construction, alteration, repair, improvement, or maintenance of county roads and bridges;
- wharves necessary for ferriage of motor vehicles;
- ferries;
- acquiring, operating, and maintaining machinery, equipment, quarries, or pits for the extraction of materials;
- the cost of establishing county roads, acquiring rights-of-way, and operating the county engineering office;
- programs directly related to county road purposes, specifically, insurance programs, self-insurance programs, and risk management programs; and
- any other proper county road purpose.

A county road purpose specifically includes construction, maintenance, or improvement of park-and-ride lots and the removal of barriers to fish passage.

Summary: For counties that consist entirely of islands, county road purposes specifically include marine uses relating to navigation and moorage. These counties may deposit revenue from real and personal property taxes and county road tax levies into a subaccount of their CRF to be used for marine facilities, including mooring buoys, docks, and aids to navigation.

Counties that use revenue for marine uses and facilities in accordance with this authority are eligible to receive funds from the RATA.

Votes on Final Passage:

House	75	21	
Senate	46	3	(Senate amended)
House	81	16	(House concurred)

Effective: July 24, 2015

SHB 1879

C 283 L 15

Directing the health care authority to issue a request for proposals for integrated managed health and behavioral health services for foster children.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Kagi, Walsh, Cody, Harris, Orwall, Tarleton and Ormsby).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means

Background: Medicaid and Foster Youth. The Health Care Authority (HCA) administers the Medicaid program, which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. Persons under 19 years old who are in foster care and are under the legal responsibility of the state or a tribe located within the state are eligible for Medicaid. Persons under 21 years old who are either in foster care or eligible for continued foster care services may also enroll in Medicaid. In addition, persons between 19 and 26 years old may receive Medicaid if they either were in foster care and enrolled in Medicaid on their eighteenth birthday or were older than 18 when their foster care assistance ended.

Integration of Health Care and Behavioral Health Services for Foster Youth. In 2014 the HCA and the Department of Social and Health Services were directed to develop a plan to provide integrated managed health and mental health care for foster children on Medicaid. The plan had to address the development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. The plan had to include a timeline and funding estimate for full integration. In addition, the plan had to be designed so that the requirement for providing mental health services to children under the *T.R. v. Dreyfus and Porter* settlement (*T.R. settlement*) is met.

The report submitted to the Legislature identifies a timeline for integration of services with January 2018 as the date for executing an integrated contract. The report noted that the primary challenge of full integration would be moving foster children affected by the *T.R. settlement* to a managed care organization while maintaining continuity and quality of care.

Antipsychotic Medications. Antipsychotic medications were intended to help people with severe mental illnesses such as schizophrenia or bipolar disorder, but are now used for many other conditions. Early antipsychotics, commonly referred to as first generation antipsychotics, carried several side effects such as movement disorders and sedation. More recently developed antipsychotic medications, commonly referred to as second generation antipsychotics, have fewer side effects related to motor skills, although they have been associated with weight gain, type 2 diabetes, and other side effects. A 2012 report by the federal Agency for Healthcare Research and Quality noted the increased use of antipsychotic medications for children and youth despite the general lack of high-quality and longitudinal studies.

The HCA must review the psychotropic medications of all children under 5 years old and establish methods to evaluate the appropriateness of the medication for the children, including the use of second opinions from experts in child psychiatry. "Psychotropic medications" include the following drug classes: antipsychotic, antimania, antidepressant, antianxiety, and Attention Deficit Hyperactivity Disorder.

Summary: Integrated Medicaid Managed Care for Foster Youth. The Health Care Authority (HCA) must seek proposals to provide integrated managed health care and behavioral health care to foster children enrolled in Medicaid. Behavioral health services must be integrated into managed health care plans for foster youth by October 1, 2018. The request for proposals must address the development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. In addition, the plan must meet the requirements for mental health services as established under the *T.R. v. Dreyfus and Porter* settlement. The integrated managed care plan must begin providing services on December 1, 2016.

Antipsychotic Medication Reviews for Foster Youth. The HCA must require that an expert in psychiatry provide a second opinion review for all prescriptions of one or more antipsychotic medications for any child under 18 years old who is in the foster care system and is enrolled in Medicaid. A 30-day supply of medications may be dispensed pending the second opinion review. The second opinion must address psychosocial interventions that have been or will be offered to the child and the caretaker to address the behavioral issues.

The HCA must promote the appropriate use of behavioral therapies in place of or in addition to prescription medications where appropriate and available, rather than merely encouraging their use.

Votes on Final Passage:

House	92	6	
Senate	44	3	(Senate amended)
House	96	2	(House concurred)

Effective: July 24, 2015

HB 1884

C 145 L 15

Expanding the definition of an electric personal assistive mobility device to include a one-wheeled self-balancing device.

By Representatives Vick, Bergquist, Hayes, Riccelli, Orcutt, Wilson and Pike.

House Committee on Transportation
Senate Committee on Transportation

Background: An electric personal assistive mobility device (EPAMD) is defined as a self-balancing device with two wheels not in tandem that is designed to transport one person by electric power. The power of an EPAMD is limited to 750 watts; and the maximum speed is limited to 20 miles per hour. An EPAMD is not motor vehicles, and they are excluded from the definition of a motorcycle.

A driver's license is not required to operate an EPAMD. Additionally, an EPAMD may not be operated on a fully controlled limited access highway, but they may be operated on a sidewalk. A municipality may restrict the use of an EPAMD in locations with congested pedestrian and non-motorized traffic. Municipalities may not, however, restrict the speed of an EPAMD in the entire community or in areas in which there is infrequent pedestrian traffic. Finally, the user of an EPAMD is classified as a "vulnerable user of a public way."

Summary: The definition of an electric personal assistive mobility device is expanded to include a self-balancing device with one wheel that is designed to transport one person. The power of such devices is limited to 2,000 watts, and their maximum speed is limited to 20 miles per hour.

Votes on Final Passage:

House	96	1
Senate	46	1

Effective: July 24, 2015

EHB 1890

C 284 L 15

Concerning a second-party payment process for paying issuer.

By Representatives Schmick and Cody.

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: An individual enrolled in a qualified health plan (QHP) through the Health Benefit Exchange (Exchange) is responsible for making premium and cost-sharing payments to the issuer. Enrollees currently make premium payments to the Exchange, but beginning with the 2016 open enrollment period, issuers will begin collecting premium payments directly from enrollees.

The Centers for Medicare and Medicaid Services (CMS) has issued guidance related to premium and cost-sharing payments made by third parties on behalf of QHP enrollees. The CMS discourages issuers from accepting third-party payments from hospitals, health care providers, and other commercial entities due to concerns that the practice could skew the insurance risk pool and create an unlevel field in the Exchange. By CMS rule, however, an issuer that offers a QHP in the individual market is required to accept premium and cost-sharing payments on behalf of an enrollee if the payment is made by: the Ryan White HIV/AIDS Program; other state and federal government programs that provide premium and cost-sharing support for individuals; or Indian tribes, tribal organizations, or urban Indian national organizations.

Summary: Issuers must accept payments made by a second-party payment process, and these payments may be made with any legal tender denominated in U.S. dollars. "Second-party payment process" means a process in which:

- an individual has an account in his or her name at a financial institution that is managed by either the institution or an entity that has established the account on the individual's behalf and with his or her express agreement;
- the account is funded with funds from the individual or his or her family members or in a manner otherwise consistent with federal law; and
- the account is under the control of the covered person so that he or she may authorize payments from the account.

An issuer is not required to accept payment by a second-party payment process if the second-party payer is controlled by, or receives funding from, an entity that may be reimbursed by an issuer for providing health care services or if the account is funded by such an entity, except for the third-party entities from which federal law requires the issuer to accept payment.

Votes on Final Passage:

House	98	0
Senate	47	0

Effective: July 24, 2015

SHB 1896

C 285 L 15

Providing a statewide minimum privacy policy for disclosure of customer energy use information.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Smith, Hudgins, Tarleton and Young).

House Committee on Technology & Economic Development

Senate Committee on Energy, Environment & Telecommunications

Background: Disclosures to Retail Electric Customers. Except for small utilities, each electric utility must provide its retail electric customers with certain disclosures, including an explanation of the utility's policies governing the confidentiality of proprietary customer information, including the circumstances under which the information may be disclosed and the ways in which customers can control access to the information.

"Small utility" means any consumer-owned utility with 25,000 or fewer electric meters in service, or that has an average of seven or fewer customers per mile of distribution line.

"Proprietary customer information" means information that relates to the source and amount of electricity used by a retail electric customer, a retail electric customer's payment history, household data, and information contained in an electric bill.

Disclosures of Private Information. The Utilities and Transportation Commission (UTC) prohibits investor-owned utilities from disclosing or selling private consumer information with or for a utility's affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a customer who does not already subscribe to that service or product, unless the utility obtains the customer's written or electronic permission. "Private consumer information" includes the customer's name, address, telephone number, and any other personally identifying information.

Consumer-owned utilities are not under the regulatory jurisdiction of the UTC.

Consumer Protection Act. The Washington Consumer Protection Act (CPA) declares that unfair and deceptive practices in trade or commerce are illegal. The CPA allows a person injured by an unfair or deceptive practice to bring a private cause of action for damages. The Office of the Attorney General may investigate and prosecute claims under the CPA on behalf of the state or individuals in the state.

Energy Benchmarking Programs. Gas and electric utilities serving more than 25,000 customers are required to maintain energy use data for nonresidential buildings and certain public agency buildings. These data must be maintained in such a way as to allow them to be inputted into the United States Environmental Protection Agency's Energy Star Portfolio Manager (Portfolio Manager).

Gas and electric utilities serving over 25,000 customers must upload building energy use data into Portfolio Manager. In doing so, the utility may not disclose personally identifying information.

Owners of nonresidential buildings that are over 10,000 square feet in size must disclose Portfolio Manager data and ratings for the previous 12 months to prospective buyers, lenders, or renters. There are no penalties specified for noncompliance with disclosure requirements.

Summary: Disclosures to Retail Electric Customers. Each electric utility, except for a small utility, must provide its retail electric customers with an explanation of the utility's policies governing the confidentiality of private, as well as proprietary, customer information, including the circumstances under which the information may be disclosed and the ways in which customers can control access to the information. "Private customer information" includes a retail electric customer's name, address, telephone number, and other personally identifying information. The definition for "proprietary customer information" is expanded to include the technical configuration and destination of the electricity used by a retail electric customer.

Sales of Retail Electric Customers' Information. An electric utility, including a small utility, may not sell private or proprietary customer information.

Disclosures of Retail Electric Customers' Information. An electric utility, including a small utility, may not disclose private or proprietary retail electric customer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a retail electric customer who does not already subscribe to the service or product, unless the utility has first obtained the customer's written or electronic permission.

An electric utility must retain certain information for each instance of a retail electric customer's consent for disclosure of his or her private or proprietary customer information, if provided electronically. A utility may collect and release retail electric customer information in aggregate form if the aggregated information does not allow any specific customer to be identified.

Customer permission is not required for the disclosure of private or proprietary customer information by an electric utility to a third party with which the utility has a contract that is directly related to conduct of the utility's business, provided that the contract prohibits the third par-

ty from further disclosing any private or proprietary customer information.

A person may not capture, obtain, or disclose private or proprietary customer information for commercial purposes unless the following conditions apply:

- the person receives a retail electric customer's written or electronic permission to capture, obtain, or disclose private or proprietary customer information;
- the customer information is disclosed to an electric utility or third party as necessary to enforce or complete a financial transaction that the retail electric customer required or authorized, provided that the electric utility or third party maintains confidentiality of the customer information and does not further disclose it; or
- the disclosure is required or expressly permitted by a federal or state law.

"Person" means any individual, partnership, corporation, limited liability company, or other organization or commercial entity, other than an electric utility.

Consumer Protection Act. The following acts are established as unfair or deceptive acts in trade or commerce and an unfair method of competition under the CPA:

- the disclosure or sale of private or proprietary retail electric customer information to an electric utility's affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings, without the customer's written or electronic permission; and
- the capture or disclosure of private or proprietary customer information by a person for commercial purposes, without a retail electric customer's written or electronic permission.

Energy Benchmarking Programs. Energy benchmarking programs authorized by federal, state, or local laws that are consistent with certain personally identifying information requirements are exempt from the requirements of the act.

Votes on Final Passage:

House	98	0	
Senate	48	0	(Senate amended)
House	94	1	(House concurred)

Effective: July 24, 2015

SHB 1897

C 20 L 15 E 3

Creating the joint center for deployment and research in earth-abundant materials.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Smith, Morris, Tarleton, Young, Hayes, Haler, Sells, Buys, Fagan and Short).

Background: In 2011 the United States Department of Energy (DOE) released a report examining the role of rare earth metals and other materials in clean energy technologies, such as wind turbines, electric vehicles, solar cells, and energy efficient lighting. The report found that several clean energy technologies are dependent on one of five rare earth elements that are at risk of supply disruptions in the short term. The DOE listed these materials as 'critical' materials. Two other elements, lithium and tellurium, were identified as being 'near critical' materials.

Rare earth elements (REEs) may be moderately abundant in the earth's crust, but are not concentrated enough to be easily exploited economically. The DOE found that China is the largest supplier of REEs and the United States is heavily import-dependent for a number of critical and near-critical materials. The DOE has recommended strategies to diversify and expand the supply chain, fund research to develop substitutes for critical materials, and reduce waste of critical materials through the development of more efficient manufacturing processes, recycling, and reuse.

The supply chain for critical materials includes processing, workforce development, and research and development. The federal government has started to award funding for projects that can enhance the ability of the United States to continue deploying clean technologies and other advanced technologies currently dependent on REEs and other critical materials. The Critical Materials Institute (CMI), facilitated by the Ames National Laboratory, is one example of a concerted local, national, and international effort to address critical materials supply chain issues.

Summary: The Joint Center for Deployment and Research in Earth-Abundant Materials (JCDREAM) is created. The JCDREAM is a multi-institutional education and research center under the authority of the University of Washington (UW) and Washington State University (WSU). The JCDREAM's purpose is to: (1) establish a transformative program in earth-abundant materials to accelerate the development of next generation clean energy and transportation technologies in Washington; (2) establish a coordinated framework to drive research and deployment of earth-abundant materials and the recycling of advanced materials used in clean technologies; and (3) promote environmentally responsible processes for the manufacturing and recycling of advanced materials.

The JCDREAM is governed by a board of directors (Board) appointed by the Governor, consisting of nine voting members and one chair, who may vote if necessary to break a tie. The Board must include as representatives the following: deans from WSU and the UW; one representative from a regional university; a representative from the Pacific Northwest National Laboratory (PNNL); a community college representative; representatives from large, medium, and small industry companies; one member with experience in national security and energy policy; and one member with experience in innovation and development of policy to address environmental challenges.

The Board must hire an executive director and may hire additional staff. The initial administrative offices must be west of the Cascades. The JCDREAM must make its facilities and resources available to all four-year institutions of higher education. The JCDREAM may solicit and receive gifts and grants from public and private sources, and such gifts are exempt from certain limitations established in the Ethics in Public Service Act.

The Board's duties include, for example, working with clean technology and transportation industry firms to identify research areas beneficial to Washington's industries, identifying entrepreneurial researchers, and developing internships and other opportunities for students. In addition, the Board must leverage its financial impact through joint support arrangements and development of non-state funding sources. The Board must allocate appropriated seed funds for collaboration on research, for product development and deployment, and as assistance to community colleges and trade schools for workforce training programs. The Board must develop an operating plan by December 1, 2015, that must include performance metrics to measure total research dollars leveraged, total researchers involved, total workforce trained, and total number of products or processes commercialized and deployed. The Board must, in coordination with the Office of the Governor and the Department of Commerce, submit a biennial report including these metrics to the Legislature and Governor assessing the impact of the JCDREAM on the state economy and the development of next generation clean energy and transportation technologies.

Votes on Final Passage:

Third Special Session

House	97	0
Senate	43	1

Effective: October 9, 2015

SHB 1898

C 286 L 15

Concerning awareness of the possibility of children testifying remotely in certain cases.

By House Committee on Judiciary (originally sponsored by Representatives Ortiz-Self, Johnson, Walkinshaw, Muri, Robinson, Pettigrew, Lytton and Kilduff).

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Child Testimony by Closed-Circuit Television. On motion of the prosecuting attorney in certain criminal proceedings, the court may allow a child witness to testify by closed-circuit television from a room outside the presence of the defendant and the jury. The court's ability to allow a child witness to testify by closed-circuit television is limited to cases in which the child witness is under the age of 14 and the testimony will describe:

- an act or attempted act of sexual contact or physical abuse involving the child;
- an act or attempted act of sexual contact or physical abuse by a person against another child;
- a trafficking or child sexual exploitation offense; or
- a violent offense committed against or by a person known or familiar to the child witness.

To allow testimony outside the presence of the defendant and the jury, the court must find by substantial evidence that requiring the child witness to testify in the presence of the defendant or jury will cause the child to suffer serious emotional or mental distress that will prevent the child from reasonably communicating at trial. If the child is able to communicate in front of the defendant but not the jury, the defendant will remain in the room while the jury is excluded. If the court allows a child witness to testify outside the presence of the defendant, the defendant must be able to communicate constantly with the defense attorney. The prosecutor, defense attorney, and a victim's advocate, if any, must be in the room with the child-witness. The court may or may not be in the room with the child.

The court may not permit child testimony by closed-circuit television unless there is no less restrictive method of obtaining the testimony that adequately protects the child from serious emotional or mental distress. The court must find that the prosecutor has made all reasonable efforts to prepare the child witness for testifying. Additionally, the court must balance the strength of the state's case without the testimony of the child witness against the defendant's constitutional rights. Child testimony by closed-circuit television is not permitted if the defendant is acting as his or her own attorney or when identification of the defendant is at issue.

Criminal Justice Training Commission Sexual Assault Investigation and Prosecution Training. The Criminal Justice Training Commission (CJTC) provides basic law enforcement training and educational programs for law enforcement, corrections personnel, and other public safety professionals. The CJTC is required to offer a yearly intensive training session on investigating and prosecuting sexual assault cases. The training must take an integrated

approach so that prosecutors, law enforcement, defenders, and victim advocates can benefit from the training.

Summary: The CJTC's annual training on investigating and prosecuting sexual assault cases must include a reference to the possibility that a court may allow certain children under the age of 14 to testify in a room outside of the presence of the defendant and the jury.

In addition, the CJTC must annually survey law enforcement and prosecuting agencies and report to the Legislature every other year starting December 1, 2015, regarding the following:

- the frequency of cases where children under the age of 14 elect not to testify, including the reasons for the election not to testify;
- the number of cases where the child remote testimony law was used, and whether those cases resulted in conviction; and
- the number of child sexual abuse cases referred for prosecution and the number of those cases that were prosecuted.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

SHB 1919

C 146 L 15

Clarifying the timing of special elections.

By House Committee on State Government (originally sponsored by Representative S. Hunt).

House Committee on State Government
Senate Committee on Government Operations & Security

Background: Every general election is held throughout the state on the first Tuesday following the first Monday in November. A city, town or district, or combination such jurisdictions, may hold a special election on one of several specified dates. The governing body of a county, city, town, or district must call for a special election by presenting a resolution to the county auditor by a specified time before the chosen election date.

The designated resolution deadline for the special elections scheduled for the second Tuesday in February and the fourth Tuesday in April is 45 days prior to each respective election.

Summary: The deadline for presenting a resolution to the county auditor calling for a special election is 60 days before an election on the second Tuesday in February or the fourth Tuesday in April. The certification deadline for the February and April elections is 10 days before the date of the election.

Votes on Final Passage:

House	89	9
Senate	44	3

Effective: July 24, 2015

HB 1940

PARTIAL VETO

C 170 L 15

Exempting levies imposed by qualifying flood control zone districts from certain limitations upon regular property tax levies.

By Representatives Stokesbary, Fitzgibbon, Ryu, Magendanz, Kochmar, Hargrove, Rodne, Bergquist, Hurst, Gregerson, Orwall and Jinkins.

House Committee on Finance
Senate Committee on Ways & Means

Background: All real and personal property in the state is subject to property tax each year based on its value, unless specific exemption is provided by law. The Washington Constitution (Constitution) requires that taxes be uniform within a class of property. Uniformity requires both an equal rate of tax and equality in valuing the property.

The Constitution limits regular property tax levies to a maximum of 1 percent of the property's value ($10 per $1,000 of assessed value). There are individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For example:

- the state levy rate is limited to $3.60 per $1,000 of assessed value;
- county general levies are limited to $1.80 per $1,000 of assessed value;
- county road levies are limited to $2.25 per $1,000 of assessed value; and
- city levies are limited to $3.375 per $1,000 of assessed value.

For property tax purposes, the state, counties, and cities, with respect to the levies listed above, are collectively referred to as senior taxing districts.

Junior taxing districts, a term that includes fire, hospital, flood control zone and most other special purpose districts, each have specific rate limits as well.

The tax rates for senior and junior districts, excluding the state, must fit within an overall rate limit of $5.90 per $1,000 of assessed value. If the $5.90 limit is exceeded, statute establishes the sequential order in which the levies of various junior taxing district levies must be proportionally reduced or eliminated (a process referred to as prorationing) to conform to the $5.90 limit.

Some regular property tax levies, including levies for port districts, emergency medical services, and criminal justice purposes, are not subject to the $5.90 aggregate rate

limit. These levies have protections from general prorationing requirements and exist within the 50 cent "gap" that remains after subtracting the $3.60 state levy and the $5.90 in local regular levies from the constitutional $10 limit per $1,000 of assessed value.

Qualifying flood control zone districts may protect up to 25 cents per $1,000 of assessed value of their levy authority through exceptions to general prorationing requirements if their levy within the $5.90 limit is subject to prorationing. To qualify, a flood control district must be located in a county with a population of 775,000 or more and whose boundaries are coextensive with the county. This provision is set to expire in 2018.

Summary: A flood control zone district that is located in a county with a population of 775,000 or more and coextensive with a county may continue to qualify for proration protection until January 1, 2023. A flood control zone district that is located in a county within the Chehalis River basin and coextensive with a county may qualify for proration protection from January 1, 2018 until January 1, 2023.

Votes on Final Passage:

House	69	29	
Senate	43	4	(Senate amended)
House	82	13	(House concurred)

Effective: January 1, 2018

Partial Veto Summary: The Governor vetoed the expiration date clause, allowing qualifying flood control zone districts to permanently protect a portion of their levy capacity from general prorationing requirements.

VETO MESSAGE ON HB 1940

May 6, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 7, House Bill No. 1940 entitled:

"AN ACT Relating to exempting levies imposed by qualifying flood control zone districts from certain limitations upon regular property tax levies."

Section 7 of House Bill No. 1940 expires the protection of flood control zone district levies from prorationing on January 1, 2023. This expiration date is problematic and restricts the flexibility of flood control zone districts to select and appropriately finance flood control projects. With the expiration date, any bonds will very likely be more expensive for flood control zone districts. There is also greater risk of insufficient revenues for flood control projects regardless of financing method in the event the levy is prorationed. To allow for maximum flexibility in financing flood control projects to protect the citizens of Washington state from flooding, I am vetoing section 7 of this bill.

For these reasons I have vetoed Section 7 of House Bill No. 1940.

With the exception of Section 7, House Bill No. 1940 is approved.

Respectfully submitted,

Jay Inslee

Governor

EHB 1943

C 287 L 15

Concerning electronic monitoring.

By Representatives Shea, Goodman, McCaslin and Scott.

House Committee on Public Safety
House Committee on General Government & Information Technology
Senate Committee on Law & Justice
Senate Committee on Ways & Means

Background: A court may order an offender, as an alternative to incarceration, to home detention. Home detention is a program of partial confinement available to an offender wherein the offender is confined in a private residence subject to electronic surveillance. Alternatively, the Department of Corrections (DOC) may be order an offender to home detention, as part of the DOC's parenting program.

Offenders convicted of certain crimes are ineligible for home detention unless imposed as partial confinement under the DOC's parenting program: a violent offense, a sex offense, a drug offense, Reckless Burning in the first or second degree, Assault in the third degree, Assault of a Child in the third degree, Unlawful Imprisonment, or Harassment. Offenders convicted of Burglary, Possession of a Controlled Substance, Forged Prescription of a Controlled Substance, or Taking a Motor Vehicle are eligible for home detention if they meet certain criteria.

Participation in a home detention program is conditioned upon the offender: (1) obtaining and maintaining employment, attending a course of study at regular hours, or performing parental duties to children normally in his or her custody; (2) abiding by the rules of the home detention program; and (3) compliance with court-ordered legal financial obligations.

Court Requirements and Pretrial Release. When a person charged with an offense appears before a judicial officer, the judicial officer must issue an order that, pending trial, the person be released on recognizance, released on conditions, or remain detained. The court's order for conditional release may include the following conditions:

- placing a defendant on a pretrial release program;
- restricting travel, association, or place of abode;
- requiring compliance with a curfew, work release, or electronic monitoring;
- prohibiting contact with particular persons or places;
- prohibiting possession of dangerous weapons or firearms;
- prohibiting consumption of alcohol or non-prescribed drugs;
- prohibiting operation of a motor vehicle not equipped with ignition interlock;

- reporting regularly to court supervision; and
- prohibiting violations of the criminal law.

Escape in the Third Degree. A person commits the crime of Escape in the third degree when the person escapes from custody. Custody means restraint pursuant to a lawful arrest or an order of a court, or any period on a work crew. Escape in the third degree is a gross misdemeanor, punishable by up to 364 days in jail, and a $5,000 fine.

A misdemeanor is punishable by up to 90 days in jail and a $1,000 fine. A gross misdemeanor is punishable by up to 364 days in jail and a $5000 fine. A class C felony is punishable by up to five years in prison and a $10,000 fine.

Summary: The definition of "home detention" is modified to include only circumstances where the offender is confined in a private residence 24 hours a day, unless an absence from the residence is authorized by the supervising agency, and the offender is subject to electronic monitoring. Home detention is a subset of electronic monitoring. Home detention may not be imposed for an offender if the sentencing court finds that the offender has previously and knowingly violated the terms of a home detention program and the violation was not technical, minor, or non-substantive.

"Electronic monitoring" is defined as tracking the location of an individual pretrial or post-trial through the use of technology capable of determining the monitored person's location. Electronic monitoring is included in the definition of partial confinement. This definition of electronic monitoring is applicable in the following contexts:

- when imposed by the DOC pursuant to its discretion to monitor sex offenders;
- when imposed by the court as part of a domestic violence protection order or after conviction for violation of such orders; and
- when imposed as a condition of release in a criminal case.

Supervising Agency Requirements. A supervising agency is defined as a public entity that authorized a home detention or home monitoring program and has jurisdiction over a monitored individual. A monitoring agency may be a supervising agency. A supervising agency must:

- establish terms and conditions of electronic monitoring for each individual subject to the electronic monitoring under the agency's jurisdiction;
- communicate the terms and conditions to the monitoring agency; and
- establish protocols for when and how a monitoring agency must notify the supervising agency when a violation of the terms and conditions occurs.

Monitoring Agency Requirements. Home detention programs must be administered by a monitoring agency that:

- complies with the terms and conditions set by the supervising agency;
- provides notification within 24 hours to the court or other supervising agency when a monitoring agency discovers that a monitored individual is unaccounted for, or beyond an approved location for 24 consecutive hours;
- establishes geographic boundaries consistent with court-ordered activities and report substantive violations of those boundaries;
- verifies the location of offenders through in-person contact on a random basis and at least once per month; and
- reports to the supervising agency any known violation of the law or court-ordered condition.

Private monitoring agencies must:

- have a detailed contingency plan for events such as power outages, malfunction of equipment, fires, and floods;
- prohibit conflicts of interest between employees and monitored individuals;
- not be owned by, or employ, any person convicted of a felony within the past four years; and
- obtain background checks for every owner and employee.

A private monitoring agency that fails to comply with the requirements may be subject to a $1,000 fine per violation, as determined by a court or court administrator.

A monitoring agency may not agree to monitor a defendant who is currently awaiting trial for a violent or sex offense unless the defendant's release was secured with a payment of bail.

Court Requirements. A court that receives notice of a violation of the terms of a home detention or electronic monitoring program must maintain a record of violations in the court file. If a court decides to discontinue or resume use of a monitoring agency, the court must notify the Administrative Office of the Courts (AOC), which must then notify all superior and district courts of the decision. The AOC is required to create a pattern form order for the court to use when ordering a person to comply with a home detention program.

A sentencing court may not give credit for time an offender spent on a electronic monitoring program prior to sentencing if the offender was ultimately convicted for one of the following offenses:

- a violent offense;
- any sex offense;
- any drug offense;
- Reckless Burning in the first or second degree;
- Assault in the third degree;
- Assault of a Child in the third degree;
- Unlawful Imprisonment; or

- Harassment.

Escape in the Third Degree. The crime of Escape in third degree is modified to include knowing violations of an electronic monitoring program. Escape in the third degree is a misdemeanor on the first offense, a gross misdemeanor on the second offense, and a class C felony on the third or subsequent offense.

Votes on Final Passage:

House	96	1	
Senate	49	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 24, 2015

HB 1961

C 55 L 15

Decodifying, expiring, and making nonsubstantive changes to community and technical college provisions.

By Representatives Zeiger, Reykdal and Sells; by request of State Board for Community and Technical Colleges.

House Committee on Higher Education
Senate Committee on Higher Education

Background: The Displaced Homemaker Program. The Displaced Homemaker Act of 1979 expanded services to displaced homemakers provided through the federal government program and established guidelines for the State Board for Community and Technical Colleges related to training, counseling, and providing services to displaced homemakers. The program has not been funded since 2011.

The Project Even Start Program. Project Even Start facilitates the expansion of services provided through the federal Even Start Family Literacy Program that was first authorized in 1988 to provide literacy and basic skills training to parents though community and technical colleges. A central purpose of Project Even Start was to enable parents to assist their own children to gain literacy skills. Project Even Start does not receive funding from the state.

The Educational Assistance Grant Program. The Educational Assistance Grant Program was created in 2003 for students with dependents, subject to the availability of receipts of gifts, grants, or endowments from private sources. Since 2003 no gifts, grants, or endowments have been provided for this purpose.

Technical College Districts and Boards. The Community and Technical College Act of 1991 transferred vocational-technical institutes, now known as technical colleges, from the common school system to the higher education system. Direction was provided for the use of shared facilities between vocational-technical institutes and common schools until such a time as one of the programs could be removed from the facility. Certain vested interests were assigned to either school district boards or technical college boards.

State statutes specify names, districts, and membership for boards of trustees for each vocational-technical institute (technical college). Districts and membership for boards of trustees are also provided in statutes pertaining to both community colleges and technical colleges.

The High School Completion Pilot Program. In 2007 a pilot program was created for two community or technical colleges to make courses or a program of study available on the college campus designed to enable students under the age of 21, who have completed all state and local high school graduation requirements, except the certificate of academic achievement or certificate of individual achievement, to complete their high school education and obtain a high school diploma.

The Washington Scholars Program. The Washington Scholars Program recognizes the accomplishments of four high school seniors from each of the state's 49 legislative districts. Eligible students must be nominated by their school principal and rank in the top 1 percent of their graduating senior class to receive state scholarships for up to four years. The scholarships can be used at any of Washington's public or private colleges or universities. Funding for the program was suspended in the 2011-13 biennium, though scholars selected in earlier years continue to receive their awards. In the 2011-13 biennium, recipients received honorary recognition-only certificates.

General Obligation Bonds.

Washington periodically issues general obligation bonds to finance projects authorized in the capital budget, including higher education facilities. General obligation bonds pledge the full faith, credit, and taxing power of the state towards 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. 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 (Treasurer) withdraws the amounts necessary to make the payments from the State General Fund and deposits them into bond retirement funds. The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the Treasurer, is responsible for supervising and controlling the issuance of all state bonds. General obligation bonds are typically issued with 25-year maturities.

Summary: Certain statutes pertaining to general obligation bonds that were issued for higher education capital projects that have matured are decodified.

An expiration date of August 1, 2015, is provided for the following provisions:

- the Displaced Homemaker Act;
- the Project Even Start program;

- certain statutes for technical colleges and Seattle Vocational Institution to collect tuition and fees per their standard operating procedures;
- the Educational Assistance Grant;
- the naming of vocational-technical institutes, their districts, and providing for boards of trustees;
- certain statutes pertaining to the transfer of vocational-technical institutes from the common school system to the higher education system;
- the Opportunity Express website; and
- the High School Completion Pilot program.

Authorization of tuition waivers for recipients of the Washington Scholars Program scholarship pertaining to the period prior to 1994 are removed.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 24, 2015

HB 1962
C 56 L 15

Regulating disclosure of process server social security numbers.

By Representatives Griffey, Peterson, Harmsworth, Wilson, Scott, Van Werven, Stokesbary, Condotta and Hayes.

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Under court rule, a sheriff, sheriff's deputy, or any non-party over the age of 18 who is competent to be a witness is authorized to serve legal process. If a person is serving process for a fee, the person must be over the age of 18, a Washington resident, and registered with the auditor of the county in which the process server resides or operates his or her principal place of business.

County auditors must develop a process server registration process and may collect an annual registration fee of up to $10. Auditors must use a form in the registration process for the purpose of identifying and locating registered process servers. The form must include the process server's name, birthdate, and Social Security number, as well as the process server's business name, business address, and business telephone number. Each process server is assigned a number and the county auditor maintains a register of process servers.

Summary: County auditors collecting Social Security numbers from registering process servers are prohibited from displaying or releasing a process server's Social Security number on any document or website issued or maintained by the auditor. Social Security numbers of process servers are confidential, exempt from public inspection and copying, and may not be disclosed unless disclosure is required under federal law.

Votes on Final Passage:

House	98	0
Senate	47	0

Effective: July 24, 2015

ESHB 1965
C 26 L 15 E 3

Implementing a temporary additional fee on licenses and permits issued by the Washington state liquor control board.

By House Committee on Appropriations (originally sponsored by Representatives Hudgins and Ormsby; by request of Liquor Control Board).

House Committee on Commerce & Gaming
House Committee on Appropriations

Background: The Liquor and Cannabis Board (Board) issues various licenses and permits relating to the production, distribution, and retail sale of beer, wine, and spirits. It also issues licenses for the production, processing, and retail sale of marijuana under the Controlled Substances Act. Each license and permit issued by the Board carries a fee, which is either fixed (as in the case of microbrewery licenses) or varied depending on sales (as in the case of the spirits retail license fee).

Summary: A nonrefundable additional fee is imposed on all applications and renewals of licenses and permits relating to spirits, beer, and wine. The fee is equal to 6.2 percent of the licensing or permit fee that is otherwise due. The 17-percent spirits retail license fee and the 5- to 10-percent spirits distributor license fee are exempt from the additional fee.

A nonrefundable additional fee is imposed on all applications and renewals of licenses relating to marijuana under the Controlled Substances Act. The fee is equal to 6.2 percent of the license fee that is otherwise due.

In both cases, the fees apply to all applications and license modifications received after the effective date of the act, and to renewals of licenses expiring after June 30, 2015. Both fees expire June 30, 2017.

The Licensing and Enforcement System Modernization Project Account is created to receive the fees. Expenditures from the account may be used only for the cost of replacing and modernizing the Board's licensing, enforcement, and imaging systems. Improvements may include:

- automation of licenses and permits;
- electronic payments;
- data warehousing;
- project management and system testing;
- consulting;
- contracting;
- staff time; and

- necessary data conversion, software, hardware, and other equipment costs.

The act takes effect only if, by June 30, 2016, the licensing and enforcement modernization project has received a funding allocation from the information technology pool appropriated in the 2015-17 omnibus operating appropriations act. The Board must conduct a thorough business process examination, that includes evaluating and articulating how any new system procurement serves the current and future needs of Board stakeholders, prior to making any expenditure from the Licensing and Enforcement System Modernization Project Account. The Office of Financial Management (Office) must provide notice of the effective date of this act to the Liquor and Cannabis Board, the Chief Clerk of the House of Representatives, the Secretary of the Senate, the Office of the Code Reviser, and others deemed appropriate by the Office. The Director of the Board must authorize expenditures.

The fund is subject to generally applicable allotment procedures, but appropriation is not required for expenditures. The fund expires June 30, 2019.

Votes on Final Passage:

Third Special Session

House	58	40
Senate	29	16

Effective: Contingent

HB 1977

C 46 L 15

Creating a tuition and fees exemption for children and surviving spouses of certain highway workers.

By Representatives Moscoso, Orcutt, Clibborn, Bergquist, Zeiger, Pollet and Tarleton.

House Committee on Higher Education
Senate Committee on Higher Education

Background: Public institutions of higher education are required and authorized to grant various tuition and fee waivers. Some waivers are state-supported, and institutions receive state funding to make up revenue from waived tuition and fees. Other waivers are discretionary, and institutions do not receive state funding. The institutions are limited in their tuition and fee waiver authority in that the total amount of tuition and fee revenue waived, exempted, or reduced may not exceed a percentage of their estimated gross operating fee revenue. The institutions' percentage caps are as follows:

- University of Washington is 21 percent;
- Washington State University is 20 percent;
- Eastern Washington University is 11 percent;
- Central Washington University is 10 percent;
- Western Washington University is 10 percent;
- The Evergreen State College is 10 percent; and
- community colleges as a whole are 35 percent.

Under certain conditions, the following individuals must be given tuition and fee waivers to attend a postsecondary institution: wrongly convicted persons and their children; Washington Scholar students; and children and spouses of veteran or National Guard members, law enforcement officers, firefighters, or state patrol officers who lost their lives or became totally disabled in the line of duty. Totally disabled means a person who has become totally or permanently disabled for life by bodily injury or disease and is thereby prevented from performing any occupation or gainful pursuit.

Summary: The state universities, the regional universities, and The Evergreen State College must waive tuition and fees for the children and surviving spouses of highway workers who died or became totally disabled in the line of duty while employed by a transportation agency. A transportation agency means any agency, department, or division of a municipal corporation, political subdivision, or other unit of local government in Washington whose primary function is the construction and maintenance of the state's highways and roads. A transportation agency is distinguished from a transit agency, as one of a transportation agency's main functions is highway maintenance, such as the State Department of Transportation. A transportation agency does not include government contractors.

Votes on Final Passage:

House	58	40
Senate	48	1

Effective: July 24, 2015

ESHB 1980

PARTIAL VETO

C 224 L 15

Implementing recommendations of the sunshine committee.

By House Committee on State Government (originally sponsored by Representative Springer).

House Committee on State Government
Senate Committee on Government Operations & Security

Background: Public Records Act. The Public Records Act (PRA) requires state and local agencies to make their written records available to the public for inspection and copying upon request, unless the information fits into one of the various specific exemptions in the PRA or otherwise provided in law. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions.

Financial Information. An exemption exists for records containing certain kinds of personal information, including financial account information. This exemption

includes credit, debit, and check numbers and other bank or financial account numbers.

Law Enforcement, Investigation, and Crime Victims. Certain investigative, law enforcement, and crime victim information is exempt from disclosure, including information in a statewide gang database maintained by the Washington State Patrol.

Transportation. Certain information in records regarding transportation is exempt from disclosure. Such information includes individually identifying information in records related to a ride-sharing program, such as a vanpool or carpool. However, names, addresses, telephone numbers, and other identifying information may be given to persons who apply for ride-sharing services in order to identify potential riders.

Personal information related to transit passes or fare payment, such as payment cards, are exempt from disclosure. However, an agency may disclose such information to an employer or other party responsible for paying the transit costs for the purpose of preventing fraud. An agency also may provide such personal information to the news media when reporting on transportation or public safety.

Guardian Ad Litem. A court may appoint a guardian ad litem (GAL) to assist a child who is the subject of a child welfare case. If available, the court will make an appointment from a GAL program.

A GAL program must maintain background information records for each GAL in the program. The background information must include education, experience, and training related to GAL services. The records also must contain the GAL's criminal history as well as the results of state and national criminal identification data, including background checks allowed through the state Criminal Records Privacy Act, the State Patrol criminal identification system, and the Federal Bureau of Investigation (FBI). Upon appointment to a child welfare case, the GAL must provide a copy of his or her background information record to the parties and their attorneys, except that the results of the criminal background check may not be disclosed.

Pollution Liability Insurance Program. Public disclosure is not allowed for examination and proprietary reports and information obtained through the Washington Pollution Liability Insurance Program (PLIP) related to soliciting bids from insurers and in monitoring the insurer. Examination reports prepared by or for the PLIP may be provided to the state insurance commissioner and other specified organizations.

Enhanced 911 Communication and Notification Systems. The state and counties implement and coordinate enhanced 911 communications systems so that 911 emergency response services are available throughout the state. Agencies have access to private addresses and telephone numbers used in the 911 emergency communications systems.

As the state implements the next generation 911 system, people will have the ability to voluntarily submit personal information in communication systems so that it will be accessible to responders through the 911 service. Also, the state and local governments may collect information to include in emergency notification systems that allow for broad dissemination of notice during a community emergency event.

Summary: Public Records Act. *Personal Financial Information*. Financial information, as defined for purposes of identity crimes, is exempt from disclosure. Such information includes information identifiable to the individual that concerns the amount and conditions of an individual's assets, liabilities, or credit. Specifically, this includes:

- account numbers, balances, and transactional information;
- codes, passwords, Social Security numbers, and tax identification numbers;
- driver's license, Identicard, and permit numbers; and
- other information held for the purpose of account access or transaction initiation.

Law Enforcement, Investigation, and Crime Victims. Local or regionally maintained gang databases are exempt from disclosure.

Transportation. The personal information of participants in a ride-share program is not subject to disclosure, except for the participant's name, general location, and points of contact. The permission to provide personal information regarding transit passes or fare payment to the news media is eliminated.

Guardian Ad Litem - Background Information. A GAL appointed in a child welfare case must provide to parties and attorneys his or her background information record containing the results of the State Patrol criminal identification system. The criminal history from the FBI may not be disclosed.

Enhanced 911 Communication and Notification Systems. Voluntarily submitted information contained in a database for enhanced 911 emergency communication systems is exempt from disclosure when the information is included in the database for purposes of displaying when a person makes a call to the 911 service.

The exemption for information contained in emergency communications systems does not prohibit disclosure for:

- the display and dissemination of information at a public safety answering point to emergency responders;
- database maintenance;
- dissemination of information for inclusion in an emergency notifications system ;
- inspection or copying by the subject of the information, or an authorized representative; or
- information prepared, retained, disseminated, transmitted, or recorded for the purpose of responding to

emergency calls, unless such information is otherwise exempt.

Information contained or used in emergency notifications systems is exempt from disclosure. The exemption for such information contained or used in emergency notifications systems does not prohibit disclosure for:

- making outgoing calls to provide notification a community emergency event;
- database maintenance; or
- inspection or copying by the subject of the information or an authorized representative.

Pollution Liability Insurance Program. Examination and proprietary reports obtained by the PLIP are no longer exempt from disclosure.

Votes on Final Passage:

House	89	9	
Senate	44	0	(Senate amended)
House	87	11	(House concurred)

Effective: July 24, 2015

Partial Veto Summary: The Governor vetoed the section requiring disclosure of GAL state criminal background information.

VETO MESSAGE ON ESHB 1980

May 11, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 1, Engrossed Substitute House Bill No. 1980 entitled:

"AN ACT Relating to implementing recommendations of the sunshine committee."

Guardian Ad Litems undergo a rigorous evaluation of their backgrounds and qualifications, which include background checks that are required by law. There is no need for this information to be distributed to parties. I believe that enactment of this law would have a chilling effect on GAL programs and their ability to recruit volunteers if this information were shared with parties in dependency actions.

For these reasons I have vetoed Section 1 of Engrossed Substitute House Bill No. 1980.

With the exception of Section 1, Engrossed Substitute House Bill No. 1980 is approved.

Respectfully submitted,

Jay Inslee
Governor

EHB 1989

C 187 L 15

Concerning water storage asset management services.

By Representatives Dent and Takko.

House Committee on Local Government
Senate Committee on Agriculture, Water & Rural Economic Development

Background: Municipal Water Systems. Cities and towns may provide for the sewerage, drainage, and water supply of a city or town, and may establish, construct, and maintain water supply systems and systems of sewers and drains within or without their corporate limits.

First Class Cities. A first class city may contract for public works pursuant to public notice and a call for competitive bids. Subject to limitations, a city may also have public works performed by city employees or a county. "Public works" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the city's cost.

A city must let a contract using competitive bidding procedures for any public works project: (a) in excess of $90,000, when more than a single craft or trade is involved; or (b) in excess of $45,000, when a single craft or trade is involved, the project is street signalization, or the project is street lighting. The competitive bidding requirements for a city may be waived by the city legislative authority if an exemption applies to the work or contract. The city may also let contracts using a small works roster process.

Procurement of the following types of service contracts are exempt from contract and competitive bidding requirements: (1) the selection of persons or entities to construct or develop water pollution control facilities or to provide water pollution control services; and (2) the selection of persons or entities to construct or develop solid waste handling facilities or to provide solid waste handling services.

Second Class Cities. A second class city must use contract and competitive bidding for public works when the estimated cost of the work or improvement: (a) exceeds $65,000 and more than a single craft or trade is involved; or (b) exceeds $40,000, and a single craft or trade is involved, the project is street signalization, or the project is street lighting. Public works below these thresholds may be let by contract or day labor without calling for bids. "Public works" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the city.

When a contract is subject to competitive bidding requirements, the city must publish notice calling for sealed bids and let the contract to the lowest responsible bidder. In lieu of other contract procedures, the city may also let contracts using a small works roster process.

Towns. Towns are authorized to contract for supplying water for municipal purposes, and to acquire, con-

struct, repair, and manage pumps, aqueducts, reservoirs, or other works necessary or proper for supplying water for use of the town, its inhabitants, or irrigating purposes. In letting contracts, towns are authorized to use the same procedures as second class cities.

Summary: Municipalities are expressly authorized to contract for asset management service of their water storage assets (*i.e.*, water storage structures and associated distribution systems, such as water tanks, towers, wells, meters, or water filters). Municipalities may negotiate a fair and reasonable water storage asset management service contract with firms that submit the best proposals. Services provided under the contract may include financing, designing, improving, operating, maintaining, repairing, testing, inspecting, cleaning, administering, or managing the water storage asset.

If a municipality chooses to contract for asset management services, the municipality:

- must publish advance notice of its requirements to procure asset management services;
- may negotiate with the firm that submits the best proposal based on criteria established by the municipality;
- must terminate negotiations if the municipality is unable to negotiate a satisfactory contract; and
- may select another firm to continue negotiations with until a contract is reached, or may terminate the selection process.

If the municipality chooses to negotiate a contract under these procurement procedures, no other statutory procurement requirements apply.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

HB 2000

C 207 L 15

Authorizing the governor to enter into agreements with federally recognized Indian tribes in the state of Washington concerning marijuana.

By Representatives Hurst, Condotta and Tarleton.

House Committee on Commerce & Gaming
House Committee on Finance
Senate Committee on Commerce & Labor
Senate Committee on Ways & Means

Background: Tribal-State Compacts. Where authorized by statute, the Governor may enter into compacts and agreements with the Indian tribes of this state regarding matters of mutual interest or concern. Many such compacts have been implemented regarding gambling and various taxation issues, including those regarding cigarette taxes and gasoline taxes. In 2001 legislation was enacted allowing the Governor to enter into contracts with the tribes concerning the sale of cigarettes. Such contracts must be for renewable terms of eight years or less. Cigarettes sold on Indian lands during the contracts' term are subject to a tribal cigarette tax and are exempt from state cigarette, sales, and use taxes.

Regulation of Marijuana Commerce under the State Controlled Substances Act. Initiative Measure No. 502 (I-502) was a ballot measure approved by Washington voters in November of 2012 that: (1) legalized the production, processing, possession, and personal use of marijuana; (2) created a framework for a regulatory scheme to be further developed by the Liquor Control Board (LCB) through its rule-making authority; and (3) revised provisions in criminal statute to accommodate such legalization.

Under the CSA, the LCB may issue three categories of commercial marijuana licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to process, package, and label marijuana for sale at wholesale to marijuana retailers and other processors; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets.

Federal Response to State Marijuana Legalization. In recent years, the United States Department of Justice (DOJ) has issued several policy statements regarding state regulation of legalized marijuana. In August of 2013, Deputy Attorney General James Cole issued a memorandum (Cole Memorandum) in response to the legalization of marijuana in Washington and Colorado. This memorandum acknowledges that enforcement of state law by state and local enforcement agencies should remain the primary means of addressing marijuana-related activity and indicates that federal authorities will not interfere with state legalization efforts provided the state implements strong and effective regulatory and enforcement systems. The Cole memorandum establishes the following eight enforcement priorities that the federal government will consider in evaluating the adequacy of the regulatory systems implemented by states that have legalized marijuana:

1. preventing the distribution of marijuana to minors;
2. preventing marijuana sales revenue from being directed to criminal enterprises;
3. preventing marijuana from being diverted from states where it is legal to states in which it is illegal;
4. preventing state-authorized marijuana activity from being used as a cover for trafficking other illegal drugs or other illegal activity;
5. preventing violence and the use of firearms in the production and distribution of marijuana;
6. preventing drugged driving and other marijuana-related public health consequences;

7. preventing the growth of marijuana on public lands; and
8. preventing marijuana possession or use on federal property.

The Cole Memorandum also affirms the continuing authority of the federal government to challenge state regulatory systems and to take enforcement actions where state enforcement efforts are inadequate.

Marijuana Commerce in Indian Country. In October of 2014, another federal memorandum (Wilkinson Memorandum) was issued regarding the legalization of marijuana by Indian tribes. Its substantive provisions are largely identical to the Cole Memorandum, insofar as it indicates that federal authorities will not interfere with tribal legalization efforts provided the tribe implements strong and effective regulatory and enforcement systems consistent with federal law enforcement priorities. The Wilkinson Memorandum also acknowledges that the tribes are sovereign nations and thus directs the DOJ to consult with affected tribes on a government-to-government basis on matters relating to the regulation of legalized marijuana.

Summary: The Governor may enter into agreements with federally recognized Indian tribes concerning marijuana. Such agreements may address any marijuana-related issue that involves both state and tribal interests or otherwise has an impact on tribal-state relations. Such agreements may include the following subject matter:

- criminal and civil law enforcement;
- regulatory issues related to the commercial production, processing, sale, and possession of marijuana and processed marijuana products;
- medical and pharmaceutical research involving marijuana;
- taxation; and
- dispute resolution, including the use of mediation or other nonjudicial process.

Any marijuana agreement relating to the production, processing, and sale of marijuana in Indian country, whether for recreational or medical purposes, must address the following issues:

- preservation of public health and safety;
- ensuring the security of production, processing, retail, and research facilities; and
- cross-border commerce in marijuana.

The Governor may delegate the power to negotiate marijuana agreements to the LCB. In conducting such negotiations, the LCB must, when necessary, consult with the Governor or the Department of Revenue.

Any tribal-state marijuana agreement must include a requirement that the tribe impose a tribal marijuana tax in an amount that is at least 100 percent of state and local excise, sales, and use taxes on sales of marijuana. However, tribal marijuana sales to the tribe, tribal entities, or tribal members are exempt from this taxation requirement to the extent such sales are exempt from such taxation under state and federal law.

State licensed marijuana retailers may purchase and receive marijuana and processed marijuana products from a federally recognized Indian tribe as permitted by a tribal-state agreement.

State licensed marijuana producers and processors may sell and distribute marijuana and processed marijuana products to a federally recognized Indian tribe as permitted by a tribal-state agreement.

Votes on Final Passage:

House	80	18	
Senate	36	13	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	79	17	(House concurred)

Effective: July 24, 2015

HB 2007

C 147 L 15

Concerning reimbursement to eligible providers for medicaid ground emergency medical transportation services.

By Representatives Zeiger, Sullivan, Stambaugh, Van De Wege, Riccelli and Ormsby.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: Medicaid. Medicaid is a federal-state partnership with programs established in the federal Social Security Act, and implemented at the state level with federal matching funds. Federal law provides a framework for coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements. Medicaid includes coverage for emergency transportation services.

Supplemental Payments and Certified Public Expenditure Programs. In addition to reimbursement for Medicaid services, states may make supplemental payments to certain providers that are separate from, and in addition to, reimbursements made at standard payment rates. Supplemental payments are eligible for federal matching dollars if aggregate payments to the providers receiving the supplemental payments are less than what Medicare would pay for the same services.

Certified Public Expenditure (CPE) programs allow public providers of medical services to certify their expenses as the non-federal share in order to receive Medicaid matching dollars, which means that the state does not have to contribute the matching share of these expenditures. These CPE programs can be combined with supplemental payments to provide additional funding to public providers without incurring additional state costs.

Managed Care. Managed care is a prepaid, comprehensive system of medical and health care delivery, in-

cluding preventive, primary, specialty, and ancillary health services through a network of providers. Healthy Options (HO) is the Health Care Authority's (HCA) Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible clients a complete medical benefits package. Medicaid clients that are not enrolled in managed care receive coverage directly from the HCA, which reimburses contracted providers on a fee-for-service basis.

Intergovernmental Transfer Programs. Intergovernmental transfers (IGT) are transfers of public dollars between governmental entities. Localities and other public entities may transfer their own tax revenues to the state to help fund the state's Medicaid program.

Summary: Certified Public Expenditure Program for Emergency Ground Transportation. The Health Care Authority (HCA) must provide supplemental payments for publicly provided Medicaid ground emergency medical transportation (GEMT) services to the extent allowed by law. The supplemental payments, combined with other sources of reimbursement from the HCA, may not exceed the actual costs of providing the services.

The HCA must implement a certified public expenditure (CPE) program to support the supplemental payments. Public GEMT providers receiving the payments must certify their expenses as the non-federal share of the supplemental payments. The Legislature states its intent to provide the supplemental payments without any expenditure from the State General Fund, and providers must agree to reimburse the HCA for the costs of administering the CPE program.

The HCA must seek federal approval for the CPE program and supplemental payments, and the HCA may not implement those changes without federal approval.

The CPE program and supplemental payments are inoperative if an appellate court or the federal Centers for Medicare and Medicaid Services (CMS) makes a final determination that the supplemental payments must be made to any providers other than public GEMT providers.

Participating GEMT providers must provide evidence supporting their certifications and submit data specified by the HCA to determine the appropriate amounts of federal matching dollars to claim. The providers must keep records specified by the HCA to fully disclose reimbursement amounts to which they are entitled and any other records required by the CMS.

Participation in the CPE program is voluntary.

Intergovernmental Transfer Program for Emergency Ground Transportation. The HCA may design and implement an intergovernmental transfer (IGT) program to support increased payments to managed care systems for public GEMT services. The public GEMT providers must provide the non-federal share for the increased payments. The managed care payments must be at least actuarially equivalent to the supplemental payments provided under the CPE program. Managed care systems must pay all of the increased payments to the participating EMT providers.

The HCA must only implement the IGT program if federal matching dollars are available and if the HCA has received the necessary federal approvals. The HCA may return, refuse to accept, or adjust IGT payments as necessary to comply with federal Medicaid requirements.

The HCA must implement the IGT program on the date that federal approval is obtained, and it may be implemented retroactively to the extent allowed by federal law. If federal approval has been obtained, the HCA may start paying the increased managed care payments for dates of service on or after January 1, 2015.

The HCA may not use State General Fund dollars to implement the IGT program. Participating GEMT providers must agree to reimburse the HCA for implementation costs. The IGT payments are also subject to a 20 percent administration fee on the non-federal share paid to the HCA, which can count as a cost of providing the services.

Managed care systems and participating public GEMT providers must comply with requests for information or data requirements imposed by the HCA for the purposes of claiming federal matching dollars or obtaining federal approvals.

Participating in the IGT program is voluntary.

Votes on Final Passage:

House	88	10
Senate	39	7

Effective: July 24, 2015

ESHB 2012

C 12 L 15 E 3

Concerning the implementation of practical design by the department of transportation.

By House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hargrove, Hayes, Pike, Zeiger, Muri and Wilson).

House Committee on Transportation
Senate Committee on Transportation

Background: The Washington State Department of Transportation (WSDOT) defines practical design as an approach for project decisions that focuses on the need for the project and looks for cost-effective solutions. It engages local stakeholders at the earliest stages of defining scope to ensure their input is included at the beginning stage of project design. Practical design implementation is part of the WSDOT's current agency-wide reforms plan. The WSDOT was directed to implement a practical design strategy for transportation design standards and report by June 30, 2015, on where practical design has been applied

or is intended to be applied and the cost savings resulting from the use of practical design.

Summary: The Washington State Department of Transportation (WSDOT) is encouraged to continue to apply practical design in project delivery. In doing so, it is the expectation of the Legislature that practical design will result in reduced project costs. Significant changes to project title or scope due to practical design require legislative approval and the Legislature must utilize existing mechanisms and processes to ensure timely approval. Additionally, the WSDOT must notify the transportation committees of the Legislature prior to letting any contract with a title or scope change.

The WSDOT must evaluate each Connecting Washington project to determine savings attributable to practical design. For design-bid-build projects and design-build projects when the project is at 30-percent design, the evaluation occurs at the end of the design phase. The WSDOT must report on the savings as part of its annual budget submittal. The savings must be made available through the transportation future funding program for new Connecting Washington projects, accelerating the schedule of existing Connecting Washington projects, and preservation investments in fiscal year 2024. Beginning in 2024, the WSDOT may provide a list of highway improvement projects or preservation investments for potential legislative approval, so long as certain criteria are met.

The Transportation Future Funding Program Account (Account) is created in the Connecting Washington Account. Moneys in the Account may only be spent after appropriation and may only be used for preservation projects, to accelerate the schedule of existing Connecting Washington projects, for new Connecting Washington projects, and for principal and interest on bonds authorized for the projects. The Account may not be appropriated until 2024 and moneys may not be expended on the SR 99 Alaskan Way Viaduct replacement project. The Account will retain any interest earnings.

Votes on Final Passage:

House	97	0

Third Special Session

House	98	0
Senate	45	0

Effective: July 6, 2015
Contingent (Section 4)

SHB 2021

C 161 L 15

Concerning the prescription drug assistance foundation.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Riccelli, Parker, Cody, Holy, Ormsby and Muri).

House Committee on Health Care & Wellness
Senate Committee on Health Care

Background: In 2005 the Prescription Drug Assistance Foundation (Foundation) was established as a nonprofit corporation. It is governed by a board of directors appointed by the Governor. Its purpose is to assist qualified uninsured individuals in obtaining prescription drugs at little or no cost. Among other things, it assists patients with accessing free programs provided by drug companies and assists with prior authorization forms.

A "qualified uninsured individual" is an uninsured person who is a Washington resident and who has an income below 300 percent of the federal poverty level. "Uninsured" means a person who lacks health insurance coverage including prescription drugs. "Health insurance coverage including prescription drugs" means prescription drug coverage under a private insurance plan, Medicaid, Medicare, the state Children's Health Insurance Program, the Basic Health Plan, or any employer-sponsored health plan that includes a prescription drug benefit.

The Foundation is authorized to receive, solicit, contract for, collect, and hold in trust donations, gifts, grants, and bequests. It may use all sources of public and private funding to support its activities, but funds from the State General Fund may not be used for its ongoing operation.

Summary: For purposes of the Prescription Drug Assistance Foundation (Foundation), a "qualified uninsured individual" is an uninsured or underinsured person whose income meets financial criteria established by the Foundation. "Underinsured" is defined as an individual who has health insurance coverage that includes prescription drugs, but for whom the prescription drug coverage is inadequate for his or her needs. The definition of "health insurance coverage including prescription drugs" includes a plan offered through the Health Benefit Exchange.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 24, 2015

2SHB 2040
C 57 L 15

Initiating a campaign to increase veteran employment.

By House Committee on Appropriations (originally sponsored by Representatives McCabe, Caldier, Senn, Harris, McBride, Dent, Johnson, Sells, Kagi, Kilduff and Wilson).

House Committee on Community Development, Housing & Tribal Affairs
House Committee on Appropriations
Senate Committee on Commerce & Labor

Background: Veteran Assistance. There are a number of organizations that identify and assist with the needs of veterans. Included in these organizations are the veterans advisory boards (boards) and the Washington State Military Transition Council (Council).

The legislative authority for each county must establish a board. The board must advise the legislative authority of the needs of local indigent veterans, resources available to local indigent veterans, and programs that could benefit the needs of the local indigent veterans and their families. Members of the board must be veterans. The majority of board members must be from a nationally recognized veterans organization.

The Council was created in 2013. The Council supports collaboration between federal, state, and local agencies and private nonprofit organizations that share responsibility for providing transition assistance to service members and their families. The Council is led by a chair, who is the Director of the Department of Veterans Affairs, and has an executive committee, strategic planning committee, advisory group, and workgroups that focus on veteran employment, education, career and technical training, and veteran-owned small businesses.

Associate Development Organizations. An associated development organization (ADO) is a local economic development nonprofit corporation that is broadly representative of community interests. Associated development organizations serve as a point of contact for local economic development activities, supporting new business development and recruitment, and coordinating business retention and expansion activities within their area. Each county in Washington has designated an organization as their ADO. There are 34 ADOs total.

Summary: The Department of Veterans Affairs, Employment Security Department, and Department of Commerce must consult local chambers of commerce, associate development organizations, and businesses to initiate a demonstration campaign to increase veteran employment in Washington. Businesses may share information about veteran employment with local chambers of commerce, who may provide this information to the Department of Veterans Affairs. "Veteran" is defined as any veteran discharged under honorable conditions.

All participants in the campaign are encouraged to work with the Washington State Military Transition Council and veterans advisory boards. Funds used for the campaign must be from existing resources.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 24, 2015

HB 2055
PARTIAL VETO
C 171 L 15

Concerning statements on ballot measures in voters' pamphlets.

By Representatives Johnson, S. Hunt, Walsh, Van De Wege, Haler, Appleton, Hawkins, Robinson, Zeiger, Sawyer, Wilson, Clibborn, Scott, Kagi, Buys, Fagan and Tharinger.

House Committee on State Government
Senate Committee on Government Operations & Security

Background: Voter Pamphlet. The Secretary of State (Secretary) must publish a voters' pamphlet for each general election in which at least one statewide measure or office will appear on the ballot. Voter pamphlets must be distributed to each household, public libraries, and other appropriate locations. The voters' pamphlet must include candidate statements and certain explanatory information regarding each ballot measure, including initiatives and referenda.

Attorney General Statements. The Secretary must send a copy of a ballot initiative or referendum to the Office of the Attorney General. The Attorney General must prepare the ballot title and a summary of the measure, and send them back to the Secretary within five days of receiving the measure and no later than August 10. The summary statement must include an explanation of current law and how the proposed measure would change the law.

Fiscal Impact Statements. The voter pamphlet also must include a fiscal impact statement for each ballot initiative and each referendum. The fiscal impact statement is prepared by the Office of Financial Management, in consultation with the Secretary, the Attorney General, and other appropriate agencies. The fiscal impact statement must be written in clear concise language, including a summary of 100 words or less and a more detailed statement that provides the assumptions for developing the fiscal impact. The statement must be filed with the Secretary no later than August 10.

Argument Statements. For each statewide issue, the pamphlet must include an argument supporting approval of the measure, an argument advocating rejection, and a rebuttal statement of each opposing argument. Each argument and rebuttal is prepared by a committee selected to

advocate or oppose the ballot measure. Each committee must submit its initial argument to the Secretary, who then transmits each argument to the opposing committee for rebuttal. Committee argument statements may contain graphs and charts supported by factual data. Initial argument statements must be 250 words or less. Rebuttal statements must be 75 words or less.

The Secretary sets the deadline for submission of argument statements by rule. Statements are available for public inspection after both sides have submitted their statements or the deadline for submission has passed.

Summary: Each committee designated to provide an argument supporting or opposing a ballot measure in the voters' pamphlet must have the Attorney General's explanatory statement and the fiscal impact statement available before preparing their argument statements.

The explanatory statement and the fiscal impact statement must be prepared upon request of the Secretary and submitted by the deadline at the Secretary's request.

When the fiscal impact statement is filed, the Secretary must send a copy of the statement to the proposing party for a measure initiated by petition or to the presiding officer of the House of Representatives and the Senate for a measure referred by the Legislature. A person who is dissatisfied with the fiscal impact statement may appeal to the Thurston County Superior Court for review. The court may consider arguments from persons advocating or opposing a ballot measure. The court may file its own statement that it determines will meet the requirements for the chapter, which then becomes the official statement.

Votes on Final Passage:

House	97	1	
Senate	45	1	(Senate amended)
House	96	0	(House concurred)

Effective: July 24, 2015

Partial Veto Summary: The Governor vetoed the section directing the Secretary to send a copy of the fiscal impact statement to the proponent and allowing for judicial review of the statement upon appeal by a dissatisfied party.

VETO MESSAGE ON HB 2055

May 6, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 3, House Bill No. 2055 entitled:

"AN ACT Relating to statements on ballot measures in voters' pamphlets."

The intent of this bill is to provide voters with more information about the potential fiscal impact of a ballot initiative. The bill moves forward the deadline for the Attorney General to prepare the explanatory statement and the Office of Financial Management to prepare the fiscal impact statement so that the information is available to the pro and con committees when drafting their statements for the voters pamphlet.

In addition to moving forward the deadline for the Office of Financial Management to prepare the fiscal impact statement, Section 3 also creates a new cause of action for any person dissatisfied with the fiscal impact statement to challenge the statement in superior court. This new cause of action would frustrate the intent of this bill and cause unnecessary delay. It would also place the court in the untenable position of having to make advisory rulings on the initiative at issue in the fiscal impact statement. The Office of Financial Management identifies the assumptions made in preparation of the fiscal impact statement. Under this new cause of action, the court would have to make a legal ruling on these assumptions, which would constitute an advisory opinion on the initiative. There are current legal options available to those who wish to challenge a fiscal impact statement without creating a new cause of action. For these reasons, I am vetoing section 3 of House Bill 2055.

While I am vetoing Section 3, I am instructing the Office of Financial Management to work cooperatively with the Secretary of State to ensure any fiscal impact statement is completed in time to share with the pro and con committees before they complete their statements for the voters' pamphlet. This will ensure the intent of the legislation is fulfilled.

For these reasons I have vetoed Section 3 of House Bill No. 2055.

With the exception of Section 3, House Bill No. 2055 is approved.

Respectfully submitted,

Jay Inslee
Governor

2SHB 2063
C 162 L 15

Creating a work group to design a qualified achieving a better life experience program.

By House Committee on Appropriations (originally sponsored by Representatives Kilduff, Kagi, Jinkins, Springer, Hunter, Ormsby, Tharinger and Tarleton).

House Committee on Early Learning & Human Services
House Committee on Appropriations
Senate Committee on Health Care
Senate Committee on Ways & Means

Background: Achieving a Better Life Experience Act. The federal Achieving a Better Life Experience (ABLE) Act was enacted in December 2014. The law amended the Internal Revenue Code to exempt from taxation qualified ABLE savings programs established by states. Individuals can contribute to savings accounts for eligible people with disabilities.

Individuals may invest up to $14,000 per year in ABLE accounts. Withdrawals from the account will not be taxed provided that the money is spent on qualified expenses, such as housing, education, transportation, health care, and rehabilitation. The complete description of qualified expenses and other parameters of these accounts are expected to become available in the summer or fall of 2015 when the Secretary of the United States Treasury issues regulations.

An individual generally cannot have more than $2,000 in savings or other assets for means-tested federal pro-

grams such as Medicaid or Supplemental Security Income (SSI). However, investments up to $100,000 in 529A accounts will be disregarded as assets for purposes of Medicaid or SSI eligibility.

Developmental Disabilities Endowment Trust. The Washington Developmental Disabilities Endowment Trust (Endowment Trust) was established in 1999. This Endowment Trust is governed by a seven-person governing board, six of whom are appointed by the Governor. The Department of Commerce provides support to the governing board when funds are appropriated for that purpose.

The Endowment Trust is available to individuals under age 65 with a qualifying developmental disability originating before age 18. An individual must be eligible for services provided by the Developmental Disability Administration to be eligible for the Endowment Trust.

Summary: The State Treasurer's Office must convene a work group to design an ABLE program by July 1, 2015. The work group must include representatives from the Department of Commerce, the State Investment Board, the Washington Advanced College Tuition Payment Program, the Department of Social and Health Services, the Developmental Disability Endowment Governing Board, and the disability community.

The ABLE design work group must provide a report to the Governor and the Legislature by November 1, 2015 that includes the following:

- a recommendation of the appropriate lead agency for the ABLE program;
- an analysis of the appropriate investment instrumentality for ABLE account investments;
- an implementation plan for the ABLE program; and
- a recommendation regarding the composition and role of an ABLE advisory board.

Votes on Final Passage:

House	89	8
Senate	46	2

Effective: July 24, 2015

ESHB 2093

C 182 L 15

Concerning wildland fire suppression.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Kretz, Short, Blake, Buys and Condotta).

House Committee on Agriculture & Natural Resources
House Committee on Appropriations
Senate Committee on Natural Resources & Parks
Senate Committee on Ways & Means

Background: Wildland Fire Suppression. There is a duty on landowners and on people engaged in activity on land who have knowledge of a wildland fire to make every reasonable effort to suppress the wildland fire. That duty applies regardless of the origin or spread of the wildland fire. If a person does not suppress a wildland fire, the Department of Natural Resources (DNR) must summarily suppress it. If a wildland fire occurs in a land clearing, right-of-way clearing, or landowner operation, the wildland fire must be fought to the full limit of available employees and equipment.

Also, when in the state's best interest and for the purposes of forest firefighting and patrol, the DNR may cooperate with any agency of another state, the United States or a federal agency, and or county, town, corporation, person, or native American tribe. Further, the DNR may contract and enter agreements with private corporations for the protection and development of the forest lands within the state.

Trespassing on Public or Private Land. A person may be liable to the state for damages and prosecuted criminally for cutting, removing, or damaging timber from state lands, using or occupying state lands, removing any valuable material from state lands, causing waste or damage to state lands, or for related acts. Also, a person may be liable criminally and civilly for trespassing on private land.

Summary: Local Wildland Fire Liaison. The Commissioner of Public Lands (Commissioner) must appoint a local wildland fire liaison (Liaison) who reports directly to the Commissioner or the Department of Natural Resource's (DNR) supervisor and generally represents the interests and concerns of landowners and the public during fire suppression activities of the DNR. The Liaison is to provide advice to the Commissioner on issues like access to land during fire suppression activities, the availability of local fire suppression assets, environmental concerns, and landowner interests. The Commissioner must consult with county legislative authorities while appointing the Liaison.

The Liaison must prepare a report to the Commissioner by December 31, 2015. The report must contain recommendations about things like opportunities for the DNR to increase training with local fire protection districts, the ability to quickly evaluate the availability of local fire district resources to allow the local resources to be more efficiently and effectively dispatched to wildland fires, and ways to increase and maintain the viability of local fire suppression assets. The DNR then must submit a report to the Legislature by October 31, 2016, that summarizes the Liaison's recommendations, explains the steps the DNR took to implement the recommendations, and offers analyses of the results.

The appointment of the Liaison and the preparation of the report are subject to the availability of amounts appropriated for those specific purposes.

Wildland Fire Advisory Committee. The Commissioner must appoint and maintain a Wildland Fire Advisory Committee (Committee) to advise the Commissioner on all matters related to wildland firefighting in the state.

This includes developing recommendations regarding the DNR's capital budget requests related to wildland firefighting and developing strategies to enhance the safe and effective use of private and public wildland firefighting resources. The Commissioner may appoint members as the Commissioner determines is most helpful. However, the Commissioner is required to invite at least the following people:

- two county commissioners—one from east of the crest of the Cascade mountains and one from west of the crest of the Cascade mountains;
- two owners of industrial land—one owner of timberland and one owner of rangeland;
- the State Fire Marshal or a representative of the State Fire Marshal's Office;
- two individuals with the title of fire chief—one from a community located east of the crest of the Cascade mountains and one from a community located west of the crest of the Cascade mountains;
- one individual with the title of fire commissioner;
- one small forest landowner; and
- one representative from each of the following: (1) a federal wildland firefighting agency; (2) a tribal nation; (3) a statewide environmental organization; and (4) a state land trust beneficiary.

The Liaison serves as the administrative chair for the Committee and the DNR must provide staff support for all Committee meetings. The Committee meets at the call of the chair and each member serves without compensation. Members are immune from civil liability for official actions. The appointment of the Committee is subject to the availability of amounts appropriated for that specific purpose.

Entering Public or Private Land to Suppress or Control a Wildland Fire. *Person Accessing Land.* A person is authorized, although not required, to enter public or private land in order to extinguish or control a wildland fire when fighting the wildland fire in that particular time and location can be reasonably considered a public necessity due to an imminent danger. No civil or criminal liability may be imposed by any court for any direct or proximate adverse impacts resulting from a person's access to land for the purposes of attempting to extinguish or control a wildland fire in that circumstance, except upon proof of gross negligence or willful or wanton misconduct by the person.

In order for a person to lawfully access public or private land to suppress a wildland fire, all of the following conditions must exist:

- there is an active fire on or near the land;
- the person has a reasonable belief that the local fire conditions are creating an emergency situation and that there is an imminent danger of a fire growing or spreading to or from the parcel of the land being entered;
- the person has a reasonable belief that preventive measures will extinguish or control the wildfire;
- the person has a reasonable belief that he or she is capable of taking preventive measures;
- the person only undertakes measures that are reasonable and necessary until professional wildfire suppression personnel arrives;
- the person does not continue to take suppression actions after specific direction to cease from the landowner;
- the person follows the instructions of professional wildfire fighting personnel, including ceasing to engage in firefighting activities, when directed to do so by professional fire suppression personnel; and
- the person promptly notifies emergency personnel and the landowner, lessee, or occupant prior to entering the land or within a reasonable time after the individual attempts to extinguish or control the wildland fire.

A person may not materially benefit or retain any valuable materials from access to the public or private land. Any authority to enter public or private land is limited to the minimum necessary activities reasonably required to extinguish or control the wildland fire. Examples of activities that may be reasonable include using hand tools to clear the ground of debris, operating readily available water hoses, clearing flammable materials from the vicinity of structures, unlocking or opening gates to assist firefighter access, and safely scouting and reporting fire behavior. Activities that are prohibited include lighting a fire in an attempt to stop the spread of another fire, using explosives as a firefighting technique, using aircraft for fire suppression, and directing other people to engage in firefighting.

Landowner. No civil or criminal liability may be imposed on the owner, lessee, or occupant of any land accessed for purposes of fire suppression activities for any direct or proximate adverse impacts resulting from the access to privately owned or publicly owned land, except upon proof of willful or wanton misconduct by the owner, lessee, or occupant. The barrier to liability includes impacts on: the person accessing the privately owned or publicly owned land and the person's personal property, including loss of life, any structures or land alterations constructed by individuals entering the privately owned or publicly owned land, other landholdings, and overall environmental resources. However, the barrier to liability does not include an action against an owner, lessee, or occupant for negligently permitting fire to spread.

Department of Natural Resources' Master Contractor Lists. In order to maximize the effective utilization of local fire suppression assets, the DNR must: (1) compile

and update, annually, master lists of qualified fire suppression contractors who have valid incident qualifications for the kind of contracted work to be performed, which, for contractors providing fire engines, tenders, crews, or similar resources, is a valid incident qualification card, commonly called a Red Card, and for contractors providing other types of support is a DNR qualification and safety document, commonly called a Blue Card, and make the lists available to county legislative authorities, emergency management departments, and local fire districts; (2) cooperate with federal wildland firefighting agencies to maximize the efficient use of local resources in close proximity to wildland fire incidents; (3) enter into preemptive agreements with landowners in possession of firefighting capability that may be used in wildland fire suppression efforts, including bulldozers, fallers, fuel tenders, potable water tenders, water sprayers, wash trailers, refrigeration units, and buses; and (4) reach out to provide basic incident command system and wildland fire safety training to landowners in possession of firefighting capability to help ensure that any wildland fire suppression actions private landowners take on their own land are accomplished safely and in coordination with any related incident command structure.

When entering into those types of preemptive agreements with landowners, the DNR must ensure that all equipment and personnel satisfy the DNR's standards and that all contractors are under the supervision of recognized wildland fire personnel while engaged in fire suppression activities. The DNR may not be held civilly liable for any adverse impacts resulting from training provided by the DNR or preemptive agreements entered into by the DNR except upon proof of gross negligence or willful or wanton misconduct.

The compilation of the master lists of qualified fire suppression contractors and the related requirements are subject to the availability of amounts appropriated for those specific purposes.

Votes on Final Passage:

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

Effective: July 24, 2015

EHB 2122

C 10 L 15 E 2

Concerning real estate as it concerns the local government authority in the use of real estate excise tax revenues and regulating real estate transactions.

By Representatives McBride, Nealey, Peterson, Fey, Muri, Ryu, Walsh and Springer.

House Committee on Local Government
House Committee on Finance

Background: Real Estate Excise Tax - General Authorization for Counties and Cities. A county legislative authority may impose an excise tax on each sale of real property in the unincorporated areas of the county. Similarly, city and town (city) legislative authorities may impose an excise tax on each sale of real property within their corporate limits. County and city real estate excise taxes (REET I) may not exceed a rate of 0.25 percent of the selling price of property. However, in lieu of imposing a local sales and use tax, a county or city may impose an additional excise tax on each sale of real property within its jurisdiction at a rate not to exceed 0.50 percent of the selling price.

Proceeds from the REET I may be used for capital purposes, improvements, and projects. In counties and cities with fewer than 5,000 residents, and counties and cities that do not fully plan under the Growth Management Act (GMA), the proceeds may be used for any capital purpose identified in a capital improvements plan and local capital improvements. In counties with more than 5,000 residents, and cities with more than 5,000 residents that fully plan under the GMA, the proceeds may be used: (a) to finance capital projects specified in a capital facilities plan; (b) for housing relocation assistance for low income tenants; (c) for qualifying debt retirement; and (d) for projects to which revenue was committed prior to April 30, 1992.

For purposes of using REET I proceeds, "capital project" (REET I capital projects) means public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of certain types of facilities and infrastructure, including:

- streets, roads, highways, and sidewalks;
- street and road lighting systems;
- storm and sanitary sewer systems;
- recreational facilities;
- parks;
- law enforcement and fire protection facilities;
- administrative and judicial facilities; and
- river and waterway flood control projects.

Until December 31, 2016, counties and cities may also use a portion of REET I proceeds for the operation and maintenance of existing REET I capital projects. Under this temporary authority, counties and cities may use the

greater of either $100,000 or 35 percent of available funds collected under REET I, not to exceed $1 million per year.

Real Estate Excise Tax - Additional Authorization for Fully Planning Counties and Cities. Counties and cities that are required to plan under the GMA may impose an additional real estate excise tax (REET II) on each sale of real property within their jurisdictions. The issue of whether to impose the REET II must first be approved by voters at a general or special election. The REET II may not exceed a rate of 0.25 percent of the selling price of property.

Counties and cities may use revenue collected from the REET II for: (a) financing capital projects specified in the capital facilities element of a comprehensive plan; (b) qualifying debt retirement; or (c) projects to which revenue was committed prior to March 1, 1992. For purposes of using REET II proceeds, "capital project" (REET II capital projects) means public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of certain types of facilities and infrastructure, including:

- streets, roads, highways, and sidewalks;
- street and road lighting systems; and
- storm and sanitary sewer systems.

Until December 31, 2016, counties and cities may also use a portion of REET II proceeds for the operation and maintenance of existing REET II capital projects. Under this temporary authority, counties and cities may use the greater of either $100,000 or 35 percent of available funds collected under REET II, not to exceed $1 million per year. Also until December 31, 2016, counties may use available REET II proceeds for the payment of existing debt service incurred for REET I capital projects.

Real Estate Seller Disclosures. Sellers, as part of a residential real property sale, must prepare and transmit to buyers a seller disclosure statement. The prescribed form requires disclosure, based upon the seller's personal knowledge, of matters on various issues, including title concerns, sewer and septic systems, structural concerns, and hazards such as flooding.

Municipal Research and Services Center. The Department of Commerce is required to contract for the provision of municipal research and services to cities, towns, counties, and special purpose districts. This directive is fulfilled through a contract with the Municipal Research and Services Center (MRSC), a nonprofit organization that provides policy, financial, and legal research and support services in accordance with the terms of the contract. The MRSC maintains a website where publications, reports, and materials associated with municipal research and services are posted.

Summary: Real Estate Excise Tax - New Authorized Uses of Revenue. Counties and cities that impose the REET I may use the greater of $100,000 or 25 percent of available funds, not to exceed $1 million per year, from REET I revenues for maintenance of REET I capital projects. In addition, counties and cities that impose the REET II may use the greater of $100,000 or 25 percent of available funds, not to exceed $1 million per year, from REET II revenues:

- for maintenance of REET II capital projects; and
- for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, improvement, and maintenance of some REET I capital projects (*i.e.*, only projects included within the definition of REET I capital projects that are not also included within the definition of REET II capital projects)

Similar REET authority that expires on December 31, 2016, is not affected.

"Maintenance" means the use of funds for labor and materials that will preserve, prevent the decline of, or extend the useful life of a capital project. "Maintenance" does not include labor or material costs for routine operations of a capital project.

Prior to exercising this authority, counties and cities must first meet certain criteria. The county or city must prepare a written report demonstrating that it has or will have adequate funding to pay for all of its capital projects identified in a capital facilities plan or other document for the succeeding two-year period. The report must be prepared and adopted as part of the county or city's regular, public budget process and must provide specific information, including how revenues collected under the REET I or REET II were used in the preceding two years and how the funds will be used during the succeeding two-years. Additionally, the county or city may not have enacted, after September 26, 2015, any requirement on the listing, leasing, or sale of real property, unless the requirement is authorized by state or federal law.

Local Requirements regarding Real Property Sales or Leases. Counties and cities must post on the MRSC website any ordinance, resolution, or policy adopted by the county or city that imposes a requirement on landlords or sellers of real property to provide information to a buyer or tenant pertaining to subject property or the surrounding area. The ordinance, resolution, or policy is not effective until posted in accordance with this requirement. If a local ordinance, resolution, or policy was adopted prior to September 26, 2015, the ordinance, resolution, or policy must be posted within 90 days or it will cease to be in effect.

The MRSC must provide a list of all requirements imposed by counties, cities, and towns on landlords or sellers of real property to provide information to a buyer or tenant pertaining to subject property or the surrounding area. The list must be posted on the MRSC website, and it must list by jurisdiction all such local requirements

Votes on Final Passage:

Second Special Session

House	86	3

Senate 40 4
Effective: September 26, 2015

ESHB 2128
C 27 L 15 E 3

Concerning fees assessed by the department of agriculture.

By House Committee on General Government & Information Technology (originally sponsored by Representative Hudgins; by request of Department of Agriculture).

House Committee on General Government & Information Technology

Background: The Washington State Department of Agriculture (WSDA) Food Safety Program regulates Washington's food supply by inspecting food processing and storage facilities and their practices, managing several food processing licenses, providing technical assistance, and investigating consumer complaints and food-related emergencies.

The WSDA collects approximately 150 different fees that support WSDA activities, including the Food Safety Program. In a budget proviso in the 2013-15 State Omnibus Appropriation Act, the Legislature directed the WSDA to convene a work group with appropriate stakeholders to review fees supporting WSDA programs that also receive State General Fund support. The resulting work group released a report in November 2013 that made a number of fee-specific recommendations, all of them in the Food Safety Program.

Summary: The following WSDA fees are changed:
- The milk processing plant license fee is raised from $55 to $250 per year.
- The dairy technician's initial license fee is raised from $10 to $25, and the renewal fee is raised from $5 to $25 each odd-numbered year.
- The sanitary certificate fees for milk processing plants and food processors are raised from $50 to $75 per certificate.
- The range for food processing plant license fees, which are based on gross annual sales, is raised from a minimum of $55 and a maximum of $825 per year to a minimum of $92 and a maximum of $862 per year.
- The food storage warehouse fee is raised from $50 to $200 per year.

The following WSDA fees are created:
- The fee for any endorsement, in addition to a dairy technician's license, is $25.
- An inspection fee may be assessed by the WSDA for manufacturing facilities that must be inspected under the Pasteurized Milk Ordinance but do not satisfy the definitions of "milk processing plant," "food processing plant," or "food storage warehouse."

Revenue from certain dairy-related license fees is redirected from the State General Fund to the agricultural local fund.

Votes on Final Passage:
Third Special Session
House 63 35
Senate 35 8

Effective: October 9, 2015

2E2SHB 2136
C 4 L 15 E 2

Concerning comprehensive marijuana market reforms to ensure a well-regulated and taxed marijuana market in Washington state.

By House Committee on Appropriations (originally sponsored by Representative Carlyle).

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

Background: Overview of Initiative 502. Initiative 502 (I-502) was a ballot measure approved by Washington voters in November 2012 that: (1) legalized the production, processing, possession and personal use of marijuana; (2) created a framework for a regulatory scheme to be further developed by the Liquor and Cannabis Board (LCB) through its rule-making authority; and (3) revised criminal laws to accommodate such legalization.

Initiative 502 contained the following provisions:
- legalizing the personal use and possession of up to 1 ounce of marijuana, as well as specified products directly related to such marijuana use;
- licensing and regulating marijuana production, distribution, and retailing;
- designating the LCB as the regulatory entity responsible for the implementation of the initiative, including continuing oversight over the commercial practices and conduct of licensed marijuana producers, processors, and retailers;
- providing the LCB with rule-making authority with respect to the development of the requisite regulatory scheme;
- implementing excise taxes on marijuana production, processing, and retailing;
- creating a dedicated marijuana fund for the collection and distribution of marijuana- related tax revenues;
- removing provisions containing criminal or civil penalties for marijuana-related activities authorized by I-502; and

- amending driving under the influence laws to include specific provisions pertaining to driving under the influence of marijuana.

Federal Response to Marijuana Legalization by the States. Washington is one of at least 23 states that have passed legislation allowing the use of marijuana for medicinal purposes and one of four states that allow its recreational use. These activities, however, remain illegal under federal law.

In August of 2013, the United States Department of Justice issued a formal enforcement policy memorandum in response to the legalization of recreational marijuana in the states of Washington and Colorado. In this memorandum, federal prosecutors were instructed to focus investigative and prosecutorial resources related to marijuana on specific enforcement priorities to prevent:

- the distribution of marijuana to minors;
- marijuana sales revenue from being directed to criminal enterprises;
- marijuana from being diverted from states where it is legal to states where it is illegal;
- state-authorized marijuana activity from being used as a cover for trafficking other illegal drugs or other illegal activity;
- violence and the use of firearms in the production and distribution of marijuana;
- drugged driving and other marijuana-related public health consequences;
- the growth of marijuana on public lands; and
- marijuana possession or use on federal property.

With respect to state laws that authorize marijuana production, distribution, and sales, the memorandum states that when these activities are conducted in compliance with strong and effective regulatory and enforcement systems there is a reduced threat to federal priorities. In such instances, the memorandum asserts that state and local law enforcement should be the primary means of regulation. The memorandum, however, affirms continuing federal authority to challenge state regulatory systems and to bring individual enforcement actions in cases in which state regulatory efforts are inadequate.

Licensing of Marijuana Producers, Processors, and Retailers. The LCB issues three categories of commercial marijuana licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to process, package, and label marijuana for sale at wholesale to marijuana retailers and other processors; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets.

Marijuana Research License. In addition to the marijuana producer, processor, and retail licenses, there is a marijuana research license allowing holders to produce, process, possess, and deliver marijuana for the purposes of:

- testing chemical potency and composition;
- conducting clinical investigations of marijuana-derived drug products;
- conducting research on the efficacy and safety of marijuana use as medical treatment; and
- conducting genomic and agricultural research.

The University of Washington and Washington State University may also conduct marijuana research. The Life Sciences Discovery Fund Authority (LSDF Authority) is required to review all applications for marijuana research licenses. A portion of license fees go into the Life Sciences Discovery Fund (LSDF).

Residency Requirements for Marijuana Business License Applicants. In order to apply for a marijuana producer, processor, or retailer license, a prospective licensee must establish state residency at least three months prior to the submission of the application.

Transport and Delivery of Marijuana by Third-Party Carriers. Transportation or delivery of marijuana and processed marijuana products may be done only by the employees of a licensed producer, processor, or retailer. Other transportation or trucking services may not be used for this purpose.

Taxation of Marijuana Producers, Processors, and Retailers. An excise tax of 25 percent of the sale price must be paid by each of the three categories of licensees at each step of the production, processing, and marketing process:

- producers pay a tax of 25 percent of the wholesale price of the marijuana sold to processors or to other producers;
- processors pay a tax of 25 percent of the wholesale price of the useable marijuana or marijuana-infused products sold to retailers or to other processors; and
- retailers pay a tax of 25 percent of the retail price of the useable marijuana or marijuana-infused products sold to the consumer.

There are no provisions explicitly addressing the taxation of retail sales of medical cannabis by collective gardens or medical cannabis dispensaries.

Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service, when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.1 percent, depending on the location.

Dedicated Marijuana Fund. Initiative 502 created a Dedicated Marijuana Fund, deposited with the State Trea-

surer that consists of moneys derived from marijuana excise taxes, license fees, penalties, forfeitures, and all other moneys, income, or revenue received by the LCB from marijuana-related activities.

Proceeds from the fund must be distributed every three months by the LCB to specified public entities and in amounts established in statute. Among the distributions is $5 million annually for the LCB to administer the legal marijuana system.

Allowable Uses by the Division of Behavioral Health and Recovery. The Department of Social and Health Services' Division of Behavioral Health and Recovery (DBHR) may use marijuana revenues for specific programs, specifically for implementation and maintenance of programs aimed at prevention or reduction of maladaptive substance use, substance abuse, or substance dependence for middle school and high school students.

Life Sciences Discovery Fund. The LSDF was created to promote life science research in Washington. The LSDF may receive tobacco settlement strategic contribution payments and leverage these state contribution payments by providing grant opportunities to support life sciences research and development.

The LSDF is managed by the LSDF Authority, governed by a board consisting of legislators and persons appointed by the Governor. The LSDF Authority solicits and reviews grant applications.

Marijuana Retailer Signage and Product Display Requirements. Marijuana retailers may not display any signage except for one sign, no more than 1,600 square inches, identifying the business by its name. Retailers also must ensure that no marijuana products are visible from a public right-of-way.

Marijuana Product Advertising Limitations. Marijuana retailers are subject to specified restrictions regarding the advertising of marijuana and marijuana-based products. Included in these regulations is a blanket prohibition barring any advertising:

- within 1,000 feet of school grounds, playgrounds, recreation centers, child care centers, public parks, libraries, or specified types of game arcades;
- on or in a public transit vehicle or public transit shelter; or
- on publicly owned property.

A licensee who violates any of these advertising prohibitions is subject to a $1,000 fine for each violation.

Buffer Distances Around Marijuana Businesses. The LCB may not issue a license to any prospective producer, processor, or retailer whose business premises are located within 1,000 feet of the perimeter of the grounds:

- an elementary or secondary school;
- a playground;
- a recreation center or facility;
- a child care center;
- a public park;
- a public transit center;
- a library; or
- any game arcade, admission to which is not restricted to persons 21 years of age or older.

Federal law imposes additional penalties on the distribution of controlled substances within 1,000 feet of an elementary or secondary school, college, playground, or public housing facility. The same federal penalties are imposed for distribution within 100 feet of a youth center, swimming pool, or video arcade.

Medical Marijuana Cooperatives. Effective July 1, 2016, four-member medical marijuana cooperatives are permitted. Up to four patients or designated providers may participate in a cooperative to share responsibility for the production and processing of marijuana for the medical use of its members. The location of the cooperative must be registered with the LCB and is only permitted if it is at least one mile away from a marijuana retailer. The registration must include each member's name and copies of each member's recognition cards. Only registered members may participate in the cooperative or obtain marijuana from the cooperative. If a member leaves the cooperative, no new member may join for 60 days after the LCB has been notified of the change in membership. All members of the cooperative must provide labor; financial compensation is not permitted. Marijuana grown at a cooperative is only for the medical use of its members and may not be sold or donated to another. Minors may not participate in cooperatives. The LCB must develop a seed to sale traceability system to track all marijuana grown by the cooperative.

Public Use of Marijuana. It is unlawful to consume or open a package containing marijuana or marijuana products in view of the general public.

Regulation of Marijuana Businesses by Local Governments. Many cities and counties throughout the state have enacted ordinances that prohibit the siting of licensed marijuana producers, processors, and retailers within their borders. Approximately 105 cities and 11 counties in Washington have enacted such a prohibition or moratorium. Other cities and counties have enacted special zoning ordinances limiting the location of recreational marijuana businesses to certain areas or have proposed special licensing requirements.

These actions by Washington cities and counties have given rise to litigation regarding whether or not local governments are preempted from enacting local ordinances that have the effect of preventing or interfering with the siting of state-licensed marijuana businesses authorized under I-502. Courts in Clark County, the City of Fife, the City of Wenatchee, and elsewhere have ruled that state law does not preempt such actions by local governments. In January 2014, the Washington State Attorney General published a formal opinion stating that state law does not preempt local ordinances that impose bans or moratoria regarding the siting of marijuana producers, processors, and retailers.

Mandatory Minimum Sentence for Misdemeanor Violations. Any person convicted of a misdemeanor violation of the Controlled Substances Act must receive a minimum 24-hour prison sentence and a fine of at least $250 or $500 for a second violation. The sentence and fine may be deferred or suspended in certain circumstances.

Synthetic Cannabinoids and Bath Salts: Schedule I of the Controlled Substances Act. Cathinones and methcathinones are stimulants with methamphetamine-like effects. Cathinones may cause hallucinations, agitation, and serious cardiac symptoms. Cathinone derivatives are commonly known as "bath salts."

Synthetic cannabinoids are drugs that target the same brain receptors that interact with the tetrahydrocannabinol present in marijuana that produces a psychoactive effect. Synthetic cannabinoids are often called "spice" or "K2," after popular brands of the substances.

The Pharmacy Quality Assurance Commission addresses the evolving chemistry of illegal controlled substances by classifying or reclassifying new compounds under its rule-making authority.

Cathinones and methcathinones are listed on Schedule I of the Controlled Substances Act, meaning they have no accepted medical value, have a high potential for abuse, and lack accepted safety for use in medical treatment under supervision.

The manufacture, delivery, or possession of a Schedule I controlled substance is a class B felony, punishable by either up to 10 years in prison, a fine of up to $20,000, or both, plus an additional $1,000 fine.

Summary: Intent and Tax Preference Performance Statement. The Legislature declares that its intent and a tax preference performance statement is included for the authorized sales and use tax exemption for qualified patients. The Department of Revenue (DOR) must provide a specific tax reporting line for marijuana retailers to include the amount of exempt sales on their tax return.

Marijuana Research Licensees. One half of the issuance fee for each marijuana research license is directed to the LSDF. The University of Washington and Washington State University may contract with entities licensed by a federally recognized Indian tribe to conduct marijuana research without approval by the LSDF Authority.

Residency Requirement for Marijuana Business License Applicants. The duration of the residency requirement for a marijuana business license applicant is increased from three months to six months.

Transport and Delivery of Marijuana by Third Party Carriers. A licensed marijuana producer, processor, researcher, or retailer may use the services of a common carrier to physically transport or deliver marijuana and marijuana products between licensed entities within the state. The common carrier must be licensed by the LCB and may only transport marijuana between other licensed marijuana businesses. Employees of a licensed common carrier who are involved in the transportation of marijuana or marijuana products must be at least 21 years old.

An employee of a common carrier may not use or carry a firearm while transporting marijuana, unless:

- the LCB explicitly authorizes the carrying or use of firearms by the employee;
- the employee has a private security guard license; and
- the employee is otherwise in full compliance with LCB regulations.

The LCB must establish rules creating an annual licensing procedure for a common carrier who seeking to offer marijuana transportation services. The rules must:

- establish criteria for the approval or denial of a license application;
- provide minimum qualifications for any employee authorized to drive or operate the transportation or delivery vehicle;
- address the safety of the employees transporting or delivering the products, including issues relating to the carrying of firearms by the employees;
- address the security of the products being transported, including a system of electronically tracking all products at both the point of pickup and the point of delivery; and
- set reasonable fees for the application and licensing process.

Taxation of Marijuana Producers, Processors, and Retailers. The 25 percent marijuana excise taxes payable by marijuana producers and processors, respectively, are eliminated. The 25 percent marijuana excise tax on retailers is modified by specifically imposing the tax on the buyer of any marijuana product subject to the excise tax. The rate is changed to 37 percent and applies to the final retail price of marijuana products subject to the tax. This retail marijuana excise tax is designated as a trust fund tax. Trust fund taxes are those taxes collected from the buyer and held in trust by the seller until remitted to the state agency that administers the tax.

This tax is in addition to state retail sales and use tax and must be separately itemized on the sales receipt provided to consumers. The displayed shelf price must illustrate the final price to the consumer, including the marijuana excise tax, but need not include the general retail sales tax.

The LCB may collect and administer the marijuana excise tax. Licensees who have been issued a notice of unpaid marijuana excise taxes may request an adjudicative proceeding.

A sales and use tax exemption for qualifying patients is allowed for patients with a medical cannabis authorization card. Designated providers of qualifying patients are also exempt from retail sales tax when purchasing for a qualifying patient.

Bundled Transactions and Conditional Sales. Marijuana producers and processors may not require the purchase of non-marijuana products or services as a condition precedent to the purchase of marijuana or marijuana products.

Licensed marijuana retailers must collect the marijuana excise tax on the entire sales price of bundled transactions, unless the retailer maintains records that may be used to determine the true value of the marijuana product sold in the bundled transaction.

Dedicated Marijuana Account. The Dedicated Marijuana Fund is renamed the Dedicated Marijuana Account. Monies in the Dedicated Marijuana Account must be appropriated before the distributions may be made.

Distribution of Marijuana Excise Tax Revenue. A portion of marijuana excise tax revenues deposited into the State General Fund is shared with counties and cities. Starting no earlier than fiscal year 2018, distributions to local jurisdictions may not occur until $25 million of marijuana tax revenues has been deposited into the State General Fund, at which point 30 percent of the previous fiscal year's marijuana-related State General Fund revenues will be distributed to eligible counties and cities in four installments. Thirty percent of the local distribution must be disbursed to counties, cities, and towns based on the amount of marijuana excise tax revenues attributable to licensed marijuana retailers located within a county, city, or town. The remaining 70 percent must be disbursed based on population, with counties receiving 60 percent of this allocation and cities and towns sharing the remaining 40 percent. Local jurisdiction distributions may not exceed $15 million per fiscal year for the 2017-2019 biennium and $20 million per fiscal year thereafter.

Subject to appropriation, at least $6 million must be appropriated per fiscal year for fiscal years 2016 and 2017 to local governments for marijuana enforcement. The monies must be distributed under a formula based on retail sales within local jurisdictions. If the $12 million is not appropriated in the operating budget, this requirement is null and void and local governments will not receive the additional funding.

Allowable Uses by the Division of Behavioral Health and Recovery. The types of programs that the DBHR may support using the revenue distributed under I-502 are expanded to include the development and evaluation of programs and practices aimed at prevention or reduction of maladaptive substance use among middle and high school students. The DBHR may also use marijuana tax funds for evidence-based or research-based programs and requires that these programs be deemed cost-beneficial by September 1, 2020.

Marijuana Retailer Signage and Product Display Requirements. Marijuana retailers may only display two signs for purposes of identifying the business. Signs must be permanently attached to a building and must be no larger than 1,600 square inches. No sign may be posted within 1,000 feet of an elementary or secondary school or a playground. Marijuana retailers are no longer required to ensure that product in the store is not visible from a public right-of-way.

Signage Requirements for Prospective Licensees. Applicants for a marijuana producer, processor, researcher, or retailer license must conspicuously display a sign on the outside of the premises to be licensed notifying the public of the application. The LCB must adopt rules to implement siting requirements for the size of the sign and the text thereon, the content of the sign, and any other requirements necessary to ensure that the sign provides adequate notice to the public. The LCB must provide the sign to the applicant, but may charge a fee.

A local jurisdiction may require additional notice by an applicant to any of the following entities located within 1,000 feet of the premises to be licensed:

- elementary and secondary schools;
- playgrounds;
- public parks;
- recreation centers;
- child care centers;
- churches;
- libraries;
- public transit centers; and
- game arcades admitting persons under 21 years old.

Buffer Distances Around Marijuana Businesses. The legislative authority of a county, city, or town may reduce the buffer requirements for licensed marijuana businesses from 1,000 feet to 100 feet from recreation centers, child care centers, public parks, public transit centers, libraries, and certain game arcades (the 1,000-foot buffer requirement for schools and playgrounds is maintained). In order to reduce the buffer requirement, a county, city, or town must pass an ordinance declaring that the reduction will not negatively impact the jurisdiction's law enforcement efforts, public safety, or public health. The LCB may license businesses located in compliance with such an ordinance.

Location of Medical Marijuana Cooperatives. Medical marijuana cooperatives may not be located within one mile of a licensed marijuana retailer or within 1,000 feet of a school, playground, public transit center, recreation center, child care center, public park, library, or certain game arcades. If the cooperative is located in a city, county, or town that has enacted a smaller buffer zone for marijuana retailers, the cooperative may be located in areas not restricted by the ordinance.

Public Use of Marijuana. Consuming marijuana or marijuana products, or opening a package containing marijuana or marijuana products, in a public place or in view of the general public is prohibited. "Public place" includes, among other locations, streets, school facilities, public buildings, restaurants, public parks, and other areas to which the public has an unrestricted right of access. A

violation is a class 3 civil infraction, punishable by a fine of $50, plus applicable local fines.

Regulation of Marijuana Businesses by Local Governments. Cities, counties, and towns may prohibit marijuana production and processing in areas zoned primarily for residential or rural use with a minimum lot size of five acres or smaller.

Mandatory Minimum Sentence Repealed. The mandatory minimum criminal penalties for misdemeanor violations of the Controlled Substances Act are repealed.

Synthetic Cannabinoids and Bath Salts. Synthetic cannabinoids are added to Schedule I of the Controlled Substances Act.

Any person who manufactures, sells, or distributes cathinones, methcathinones, or synthetic cannabinoids commits a violation of the Consumer Protection Act.

A person who manufactures, sells, or distributes synthetic cannabinoids, cathinones, or methcathinones must pay a fine between $10,000 and $500,000, in addition to other criminal and civil penalties. However, if the person receiving the drug is a minor under 18 years old and at least two years younger than the person violating the law, the minimum fine is increased to $25,000. Courts may not suspend or defer the fine unless the violator is indigent.

Changes to Marijuana-Related Definitions in the Controlled Substances Act. The term "marijuana concentrates" in the Controlled Substances Act is redefined to include all concentrates having a tetrahydrocannabinol (THC) concentration greater than 10 percent.

The definition of "marijuana-infused products" in the Controlled Substances Act is revised to reduce the maximum allowable THC concentration in the products from 60 percent to 10 percent.

Cannabis-Based Beauty Aids. Cannabis health and beauty aids are exempt from all regulations in the Controlled Substances Act pertaining to marijuana, marijuana concentrates, or marijuana-infused products. "Cannabis health and beauty aid" means a product containing parts of the cannabis plant that:

- is intended for use only as a topical application to enhance appearance;
- contains a THC concentration of no more than 0.3 percent;
- does not cross the blood-brain barrier; and
- is not intended for ingestion by humans or animals.

The LCB is granted expanded rule-making authority over cannabis health and beauty aids.

Marijuana Vending Machines and Drive-Throughs. Marijuana retailers may not operate a vending machine or a drive-through facility for sale of marijuana or marijuana products.

Marijuana Clubs. It is a class C felony to operate a business for the purpose of allowing customers to keep or consume marijuana on-site.

Votes on Final Passage:

House 67 28

First Special Session

House 70 25

Second Special Session

House 59 38
Senate 36 7

Effective: July 1, 2015
July 24, 2015 (Sections 302, 503, 901, 1204, 1501, 1502, 1503, 1504, and 1601)
October 1, 2015 (Sections 501,502,504, and 505)
July 1, 2016 (Sections 203 and 1001)

HB 2140

C 257 L 15

Concerning good cause exceptions during permanency hearings.

By Representatives Kagi, Orwall, Johnson, Walsh, Sells, Clibborn, Tarleton, Appleton, Ortiz-Self, Hargrove, Zeiger, Senn, Ormsby, Kilduff, Walkinshaw and Goodman.

House Committee on Early Learning & Human Services
Senate Committee on Human Services, Mental Health & Housing

Background: Dependency Court System. The Department of Social and Health Services (DSHS) may file a petition in court alleging that a child should be a dependent of the state due to abuse or neglect or because there is no parent, guardian, or custodian capable of adequately caring for the child.

If a court determines that a child is dependent, the court will conduct periodic reviews and make determinations regarding the child's placement, the provision of services by the DSHS, compliance of the parents, and whether progress has been made by the parents.

Under certain circumstances after a child has been removed from the custody of a parent for at least six months pursuant to a finding of dependency, a petition may be filed seeking termination of parental rights.

Adoption and Safe Families Act. The federal Adoption and Safe Families Act (ASFA) of 1997 requires child welfare agencies to file a petition seeking termination of parental rights if a child has been in out-of-home care for 15 of the most recent 22 months, unless the court makes a good cause exception as to why the filing of a termination petition is not appropriate.

Good Cause Exceptions Not to File a Termination Petition. In Washington, good cause exceptions not to file a termination petition when a child has been in out-of-home care for 15 out of the last 22 months include the following:

- The child is cared for by a relative.

- The DSHS has not provided services that the court and the DSHS have deemed necessary for the child to safely return home.
- The DSHS has documented in the case plan a compelling reason why filing a termination petition would not be in the child's best interests.
- The parent is incarcerated or the parent's prior incarceration is a significant factor in why the child has been in out-of-home care, the parent maintains a meaningful role in the child's life, and the DSHS has not documented another reason to file a termination petition.
- The parent has been accepted into a dependency treatment court program or long-term substance abuse program and is demonstrating compliance with treatment goals until June 30, 2015.
- The parent files a declaration stating the parent's financial inability to pay for court-ordered services and that the DSHS was unwilling or unable to pay for the same services necessary for the child to safely return home until June 30, 2015.

Summary: The expiration date of June 30, 2015 is removed for the following good cause exceptions for the court not to order the DSHS to file a petition seeking the termination of parental rights if a child has been in out-of-home care for 15 of the last 22 months since the date the dependency petition was filed:

- where a parent has been accepted into a dependency treatment court program or long-term substance abuse or dual diagnoses treatment program and is demonstrating compliance with treatment goals; and
- where a parent who has been court ordered to complete services necessary for the child's safe return home files a declaration under penalty of perjury stating the parent's financial inability to pay for the services and that the DSHS was unwilling or unable to pay for those services.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 30, 2015

2EHB 2151

C 5 L 15 E 2

Extending the hospital safety net assessment.

By Representatives Jinkins, Schmick and Bergquist.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: Medicaid Provider Charges. Provider charges, such as assessments, fees, or taxes, have been used by some states to help fund the costs of the Medicaid program. Under federal rules, this would include any mandatory payment where at least 85 percent of the burden falls on health care providers. States collect funds from providers and pay them back as Medicaid payments, and states can claim the federal matching share of those payments.

To conform to federal laws, assessments, fees, and taxes must be generally redistributive in nature and no hospitals can be held harmless from the burden of the assessments, fees, or taxes. The charges must be broad-based and uniform, which means they must be imposed on all providers in a given class and the same rate must apply across providers. If a charge is not broad-based and uniform it must meet statistical tests that demonstrate that the amount of the charge is not directly correlated to Medicaid payments. Additionally, Medicaid payments for these services cannot exceed Medicare reimbursement levels.

Hospital Payment Methods. The Health Care Authority (HCA) manages the Hospital Safety Net Assessment (HSNA) program. An assessment on non-Medicare inpatient days is imposed on most hospitals, and proceeds from the assessment are deposited into the HSNA Fund (Fund).

The Federal Balanced Budget Act of 1997 established the Critical Access Hospital (CAH) program. The program allows more flexibility in staffing and simplified billing methods, and it creates incentives to integrate health delivery systems. Washington currently has 38 hospitals certified as CAHs. Payments to CAHs under Washington's medical assistance programs are based on allowable costs.

Larger urban private hospitals are reimbursed under the Prospective Payment System (PPS) for inpatient services and the Outpatient PPS for outpatient services.

The Certified Public Expenditures (CPE) program is a payment methodology that applies to public hospitals, including government owned and operated hospitals that are not CAHs or state psychiatric hospitals. The CPE program's payment method applies to inpatient claims and Disproportionate Share Hospital (DSH) payments. The CPE program allows public hospitals to certify their expenses as the state share in order to receive federal matching Medicaid funds, which means that the state does not need to contribute the matching share of these expenditures.

Assessments. The hospital assessments are based on the number of non-Medicare inpatient days. The amount of the assessment varies by hospital type and is reduced if a PPS hospital has more than 54,000 patient days per year. If required to obtain federal matching funds, that threshold may be adjusted to comply with federal requirements.

The assessments range from $7 to $344 depending on the type of hospital and number of patient days. The HCA calculates the amounts due annually and collects the assessments on a quarterly basis.

If sufficient other funds are available to make the increased payments, the HCA will reduce the amounts of the

assessments to the minimum levels necessary to support those payments. Any actual or estimated surplus in the Fund at the end of a fiscal year (FY) must be applied to reduce the assessment amounts in the following FY.

Hospital Payments. Moneys in the Fund may be used for various increases in hospital payments, including grants to CPE hospitals; fee-for-service supplemental payments to PPS, psychiatric, and rehabilitation hospitals; and increased managed care payment rates.

Grants to CPE Hospitals. Public CPE hospitals receive grants from the Fund. Starting in FY 2016, the grants from the Fund will be reduced in equal increments to zero by the end of FY 2019. The initial allocations in FY 2014 and FY 2015 include the following:

- The University of Washington Medical Center receives $3.3 million.
- Harborview Medical Center receives $7.6 million.
- Other CPE hospitals receive $4.7 million divided between the individual hospitals based on total Medicaid payments.

Fee-for-Service. The HCA provides supplemental payments from the Fund to PPS, psychiatric, rehabilitation, and border hospitals based on prior fee-for-service utilization of inpatient and outpatient services. Starting in FY 2016, the supplemental payments are reduced in equal increments from FY 2016 to zero in FY 2019. These payments also include additional federal matching funds. The initial allocations in FY 2014 and FY 2015 include the following:

- The PPS hospitals receive $28,125,000 for inpatient payments and $24,550,000 for outpatient payments.
- Psychiatric hospitals receive $625,000 for inpatient payments.
- Rehabilitation hospitals receive $150,000 for inpatient payments.
- Border hospitals receive $250,000 for inpatient payments and $250,000 for outpatient payments.

Managed Care. The HCA uses moneys from the Fund to increase capitation payments to managed care organizations by an amount at least equal to the amount available in the Fund after deducting disbursements for other specified purposes. The amount must be no less than $153,131,600 in FY 2014 and FY 2015, decreasing in equal increments to zero in FY 2019, along with the maximum available amount of federal funds. Payments to individual managed care organizations are divided based on anticipated enrollment, utilization, or other factors that are reasonable and appropriate. The HCA requires managed care organizations to spend these dollars for hospital services within 30 days after receipt. In FYs 2015, 2016, and 2017, the HCA will use any additional federal matching funds available for the increased managed care payments resulting from the Medicaid expansion under the federal Affordable Care Act to substitute for assessment dollars that otherwise would be used for the increased capitation payments. If total payments to managed care organizations exceed what is permitted under Medicaid laws and regulations, payments will be reduced to levels that meet the requirements and the balance of assessment funds remaining will be used to reduce future assessments.

Rural Hospitals. Rural CAHs receive $1.9 million in FY 2014 and FY 2015 from the Fund plus federal matching funds in DSH payments, reduced in equal increments to zero in FY 2019. Critical Access Hospitals that are not DSH eligible receive $520,000 in FY 2014 and FY 2015, reduced in equal increments to zero in FY 2019, that is divided between the individual hospitals based on total Medicaid payments.

The HCA uses any remaining surplus assessment dollars to proportionately reduce future assessments on PPS hospitals.

The sum of $199.8 million in the 2013-15 biennium may be expended from the Fund in lieu of State General Fund payments to hospitals. An additional sum of $1 million per biennium may be disbursed from the Fund for payment of administrative expenses incurred by the HCA related to the assessment program.

Phase-Down and Expiration. The HSNA expires on July 1, 2017. The assessments and payments phase down in equal increments over a four-year period starting in FY 2016 until the amounts are zero by the end of FY 2019.

Summary: Phase-Down and Expiration. The expiration of the HSNA program is extended from July 1, 2017, to July 1, 2019. The assessments and payments no longer phase down to zero by the end of FY 2019.

Assessments. The amounts of annual assessments per non-Medicare bed day paid by hospitals are revised to the following amounts:

- Prospective Payment System hospitals must pay no more than $350 instead of $344.
- Psychiatric hospitals must pay no more than $70 instead of $67.
- Rehabilitation hospitals must pay no more than $70 instead of $67.

Other assessment amounts remain unchanged.

Hospital Payments. Fee-for-service and managed care payments to hospitals are revised. Fee-for-service payments are as follows:

- The University of Washington Medical Center receives $4,455,000.
- Harborview Medical Center receives $10,260,000.
- All other CPE hospitals receive $6,345,000.
- Critical Access Hospitals that do not receive Disproportionate Share Hospital (DSH) payments receive $702,000.
- Critical Access Hospitals that are eligible for DSH receive $1,336,000 in DSH payments.
- Inpatient PPS hospitals receive $29,162,500 plus federal matching funds.

- Inpatient psychiatric hospitals receive $875,000 plus federal matching funds.
- Inpatient rehabilitation hospitals receive $225,000 plus federal matching funds.

Managed care payments must be no less than $96 million, plus federal matching funds. Additional federal matching dollars from the Medicaid expansion may no longer substitute for HSNA dollars.

The sums of $292 million per biennium may be expended from the Fund in lieu of State General Fund payments to hospitals.

Other payment amounts remain unchanged.

Hospital Safety Net Assessment Administration. The HCA must provide the Washington State Hospital Association with a monthly report showing the amount of payments made to managed care plans, including the amount of additional premium tax payments.

Provisions for contracting between hospitals and the HCA are changed to allow extension of existing contracts and to disallow reductions in aggregate payments from variations based on budget-neutral rebasing of payment rates.

The HCA may use a surplus in the Fund to reduce assessments through FY 2019.

Hospital Residencies. Revenue from the hospital safety net assessment is used for new family residency program slots, and new psychiatric residency program slots, at the University of Washington.

Votes on Final Passage:

First Special Session

House	79	16

Second Special Session

House	86	11
Senate	39	5

Effective: June 30, 2015

ESHB 2160

C 8 L 15 E 2

Concerning the distribution of intimate images.

By House Committee on Judiciary (originally sponsored by Representatives Wylie, Orwall, Klippert and Buys).

House Committee on Judiciary
Senate Committee on Law & Justice

Background: Liability may exist for some harms that result from the disclosure of embarrassing or emotionally distressful material.

The tort of invasion of privacy is based on the common law tort of public disclosure of private facts. Invasion of privacy occurs when a person gives publicity to a matter concerning the private life of another. A person who invades another's privacy is subject to liability to the other person if the matter publicized is of a kind that would be highly offensive to a reasonable person and is not of legitimate concern to the public.

The tort of intentional infliction of emotional distress, also known as the tort of outrage, occurs when a defendant engages in extreme and outrageous conduct to intentionally or recklessly inflict emotional distress on a plaintiff and the plaintiff actually suffers severe emotional distress as a result.

Summary: A person is liable for distributing an intimate image of another if he or she intentionally and without consent distributes an intimate image that:

- was obtained under circumstances in which a reasonable person would know or understand that the image was to remain private; or
- was knowingly obtained by the person without authorization or by exceeding authorized access from the other person's property, accounts, messages, files, or resources.

Several factors may be used to determine whether a reasonable person would know or understand that an image was to remain private.

An "intimate image" is any image or recording of an identifiable person that is taken in a private setting, is not a matter of public concern, and depicts:

- sexual activity; or
- a person's intimate body parts, whether nude or visible through less than opaque clothing.

Anyone who distributes an intimate image of another, and at the time of such distribution knows or reasonably should know that disclosure would cause harm to the depicted person, is liable for actual damages, reasonable attorneys' fees, and costs. The court also may award injunctive relief as it deems necessary. However, an interactive computer service, as defined by federal law, may not be held liable for content provided by another person.

It is an affirmative defense to a violation if a family member of a minor distributes certain images of the minor to other family or friends and did not intend any harm or harassment in the disclosure.

The court must make it known to a plaintiff that the plaintiff may use a confidential identity, and the court must use the confidential identity in all petitions, filings, or other documents.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)

Second Special Session

House	90	0
Senate	43	0

Effective: September 26, 2015

HB 2181
PARTIAL VETO
C 58 L 15

Modifying the maximum speed limit on highways.

By Representatives Schmick, Clibborn, Orcutt and Scott.

House Committee on Transportation
Senate Committee on Transportation

Background: Generally, the maximum speed limit on public streets, roads, and highways is set by statute: 25 miles per hour (mph) on city and town streets, 50 mph on county roads, and 60 mph on state highways. These limits may be increased or decreased by the Secretary of the Washington State Department of Transportation (WSDOT) if an engineering and traffic investigation shows that a higher or lower maximum speed is reasonable and safe under the circumstances. The maximum speed limit on any state highway, however, may not be increased to greater than 70 mph. Additionally, vehicles with a gross weight of greater than 10,000 pounds may not exceed 60 mph.

Summary: The Secretary of the WSDOT may increase the maximum speed limit on any highway or portion of highway to not more than 75 miles per hour.

Votes on Final Passage:

House	78	19
Senate	41	7

Effective: July 24, 2015

Partial Veto Summary: Vetoes a section that provided legislative findings and explained that the Legislature intended House Bill 2181 to require the WSDOT to determine locations on Interstate 90, and elsewhere on the state highway system, upon which a greater speed limit is reasonable and safe and modify the maximum speed limit accordingly.

VETO MESSAGE ON HB 2181

April 22, 2015

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 1, House Bill No. 2181 entitled:

"AN ACT Relating to the maximum speed limit on highways."

This bill presumes that there are portions of Interstate 90 -- and other portions of the state highway system -- where the speed limit could be increased to 75 mph without compromising safety.

According to the Washington Traffic Safety Commission, speeding or driving too fast for conditions accounts for more than one-third of all deadly crashes in Washington. It's a fact that as vehicle speed increases, the amount of energy generated increases exponentially, and the risk of death and injury increases substantially as collision speed increases. Our state's Target Zero Plan aims to reduce traffic death and serious injuries to zero by 2030. Although the number of speeding-involved crashes is declining due to the Target Zero program, there are still far too many people dying on our roadways. An increase in allowable speeds before a thorough safety assessment is performed is simply premature.

Therefore, I am vetoing Section 1 of House Bill 2181.

However, I am directing the Department of Transportation to consult with the Traffic Safety Commission and the State Patrol to assess whether the speed limit could be increased without any compromise in safety.

Moreover, I strongly encourage the Legislature to reconsider the Traffic Safety Commission's distracted driving bill in the upcoming session as a way to further reduce traffic fatalities. It's vital that we make progress improving safety this year.

For these reasons I have vetoed Section 1 of House Bill No. 2181.

With the exception of Section 1, House Bill No. 2181 is approved.

Respectfully submitted,

Jay Inslee
Governor

EHB 2190
C 148 L 15

Authorizing the electronic submission of vessel reports of sale.

By Representatives Harmsworth, Moscoso, Orcutt, Clibborn, Wilson, Condotta, Kretz, Rodne, Dunshee and Pike.

House Committee on Transportation
Senate Committee on Transportation

Background: The owner of a vessel must notify the Department of Licensing (DOL) within five business days of the date when he or she sells or otherwise disposes of a vessel. In order for a report of sale to be considered properly filed it must include the date of the sale or transfer, the name and address of the owner and the person acquiring the vessel, the vessel hull identification number and vessel registration number, and a date stamp by the DOL showing it was received on or before the fifth business day after the date of sale or transfer.

A report of sale does not transfer ownership, but may protect the seller from civil liability if the person acquiring the vessel does not complete the transfer of ownership. The DOL only accepts vessel reports of sale via a paper form that must be completed, printed, signed, and mailed to the DOL. The DOL accepts vehicle reports of sale electronically.

Summary: The DOL is required to provide or approve reports of sale forms, provide a system enabling vessel owners to submit reports of sale electronically, immediately update the DOL's vessel record when a report of sale has been filed, provide instructions to sellers on releasing their interest in a vessel, and send a quarterly report to the Department of Revenue that lists vessels for which a report of sale has been received; but no transfer of ownership has taken place.

Votes on Final Passage:

House	97	1
Senate	48	0

Effective: January 1, 2017

HB 2195
C 28 L 15 E 3

Modifying certain auditor's fees.

By Representatives Lytton, Walkinshaw, Orwall, Chandler and Fagan.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: County auditors are the recording officers of counties for a variety of documents relating to real property, marriage licenses, other vital statistics, and other matters that are required by law to be filed and recorded in the county.

County auditors or recording officers must charge a $2 surcharge for recording instruments. This surcharge is deposited into the Washington State Heritage Center Account and managed by the Office of the Secretary of State.

Summary: The surcharge collected by county auditors or recording officers for recording instruments is increased from $2 to $3.

Votes on Final Passage:

Second Special Session

House	59	38

Third Special Session

House	73	24
Senate	31	13

Effective: October 9, 2015

EHB 2212
C 22 L 15 E 3

Exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new psychiatric services from certain certificate of need requirements.

By Representatives Cody, Schmick and Fagan.

House Committee on Capital Budget
Senate Committee on Health Care
Senate Committee on Ways & Means

Background: Certificate of Need. A certificate of need from the Department of Health (DOH) is required prior to the following: construction, renovation, or sale of a health care facility; changes in bed capacity at certain health care facilities; an increase in the number of dialysis stations at a kidney disease center; or the addition of specialized health services.

The DOH must consider specific criteria when determining whether to issue a certificate of need including: (1) the population's need for the service; (2) the availability of less costly or more effective alternative methods of providing the service; (3) the financial feasibility and probable impact of the proposal on the cost of health care in the community; (4) the need and availability of services and facilities for physicians and their patients in the community; (5) the efficiency and appropriateness of the use of existing services and facilities similar to those proposed; and (6) whether the hospital meets or exceeds the regional average level of charity care.

In 2014 the certificate of need requirement for acute care hospitals was suspended when the hospitals change the use of existing licensed beds to psychiatric care beds that include involuntary treatment. This suspension expires June 30, 2015.

Supreme Court Decision. In August 2014 the Washington Supreme Court decided the case of *In re D.W.*, which involved 10 involuntary psychiatric patients who asked the Superior Court in Pierce County to hold that their detention in uncertified treatment beds was unlawful. The Supreme Court found that current Washington statutes and regulations do not authorize temporary certification of treatment beds as a response to overcrowding.

Summary: Hospitals that receive grants awarded in fiscal years 2016 and 2017 for new psychiatric beds from the Department of Commerce are exempt from requesting a certificate of need. The Department of Commerce may not make prior approval of a certificate of need application a condition for a grant application.

The period for the exemption is two years from the date of the grant award. Any new beds added under the exemption must remain psychiatric beds unless a new certificate of need is granted. The authorization expires June 30, 2019.

Votes on Final Passage:

House	97	0

Second Special Session

House	97	0

Third Special Session

House	98	0
Senate	45	0

Effective: July 6, 2015

HB 2217
C 23 L 15 E 3

Concerning the state's use of the juvenile offender basic training camp program.

By Representatives Hunter, Sullivan and Carlyle.

House Committee on Appropriations
Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means

Background: The Department of Social and Health Services (DSHS) is required to establish a medium-security juvenile offender basic training camp (JOBTC). The JOB-

TC was designed to be a 120-day program that emphasized building a juvenile offender's self-esteem, confidence, and discipline through a structured curriculum including educational, vocational, rehabilitative, and physical training components.

A juvenile offender must meet the following criteria to be eligible for the JOBTC:

- have an aggregate minimum sentence of less than 65 weeks;
- have a minimum of 29 weeks remaining until maximum sentence upon admission to the JOBTC;
- not be assessed as a high-risk offender by the Juvenile Justice and Rehabilitation Administration's (JJRA) Risk Assessment Recidivism tool;
- not have a violent or sex offense on his or her current commitment;
- not have any prior serious violent offense; and
- not have mental or physical health problems that could endanger his or her health or drastically affect his or her performance in the JOBTC.

Juvenile offenders who meet the above eligibility criteria and successfully graduate from the JOBTC spend the remainder of their disposition under parole supervision in the community.

When the JJRA opened the JOBTC in 1997, the JJRA had a caseload of approximately 1,400 youth and the JOBTC was funded for 48 beds. By fiscal year (FY) 2014, the JJRA caseload had declined to 533 youth and the JOBTC was funded for 16 beds. The actual average daily population of the JOBTC over the FY 2012-FY 2014 period was 11 youth. The JJRA has reported that youth today infrequently meet the original JOBTC eligibility criteria.

The JOBTC is located in Connell and is currently operated through a contract with Pioneer Human Services.

Summary: The requirement for the DSHS to establish a JOBTC is changed to an authorization to do so.

Votes on Final Passage:

House 72 25

First Special Session

House 71 24

Second Special Session

House 77 20

Third Special Session

House 81 16
Senate 47 0

Effective: October 9, 2015

EHB 2253

C 11 L 15 E 2

Amending statutory timelines governing the administration and organization of the joint administrative rules review committee that prescribe when member, alternate, chair, and vice chair appointments and final decisions regarding petitions for review must be made.

By Representatives Hudgins and Taylor.

House Committee on State Government

Background: The Legislature exercises some oversight over agency rulemaking through the Joint Administrative Rules Review Committee (JARRC). The JARRC is empowered to examine three main issues: whether a rule is consistent with the intent of the Legislature; whether a rule was adopted in accordance with the law; and whether an agency is using a policy or interpretive statement in place of a rule. The JARRC may also, by majority vote, order an agency to engage in the significant legislative rulemaking process or develop a small business economic impact statement.

Membership. The JARRC is composed of eight legislative members, four senators and four representatives, and at least four alternate members. Members are appointed in the following manner:

- four members, with no more than two members from the same political party, appointed by the House;
- four members, with no more than two members from the same political party, appointed by the Senate;
- one alternate member from each caucus of the House of Representatives, appointed by the House; and
- one alternate member from each caucus of the Senate, appointed by the Senate.

Members and alternates must be appointed as soon as possible after the Legislature convenes in regular session in an odd-numbered year.

Member terms extend until their successors are appointed and qualified at the next regular session in an odd-numbered year, or until they no longer serve in the Legislature, whichever occurs first. Vacancies must be filled within 30 days. Members and alternates may be reappointed to the committee.

Appointments for chairpersons and vice chairpersons from among the committee membership must be made in January of each even-numbered year as soon as possible after a legislative session convenes. The appointments are made on an alternating basis between the House of Representatives and the Senate. Beginning in the year 2000, the Speaker of the House of Representatives appoints the chairperson and vice chairperson and beginning in 2002, the President of the Senate makes the appointments.

Review of Rules. Any person may petition the JARRC for a review of a proposed or existing rule, a proposed or existing policy, or an interpretive statement of general applicability. If the JARRC issues an adverse finding on a

rule, the agency in question is required to conduct a hearing on the committee's findings. If the JARRC is dissatisfied with the agency response to its findings, it may publish notice of its dissatisfaction in the State Register, recommend to the Governor that he or she suspend the rule, or refer the matter to a standing policy committee of the Legislature.

Within 30 days of receipt of the petition, the JAARC must acknowledge receipt of the petition and describe any initial action taken. If the petition is rejected, a written statement of the reasons for rejection must be included. The JAARC must make a final decision on a petitioned rule within 90 days of the receipt of the petition.

Summary: Appointments of successors to any member or alternate member of the JAARC must be made as soon as possible after the Legislature convenes in regular session in odd-numbered years, but no later than by June 30 of the same year. Appointments of the chairperson and vice chairperson must be made as soon as possible after the Legislature convenes in regular session in even-numbered years, but no later than by June 30th of the same year. The alternating schedule is updated requiring the President of the Senate to appoint the chairperson and vice chairperson beginning in 2016, and the Speaker of the House of Representatives to make those appointments beginning in 2018. The term of any member or alternate extends until a successor is appointed or the member no longer serves in the Legislature, whichever occurs first. Vacancies must be filled within 30 days of the vacancy occurring.

A final decision of a petitioned rule may be deferred if a decision has not been made by the time the Legislature meets in regular or special session. In those instances, a final decision must be made within 90 days of adjournment of the regular or special session. During a legislative session, a petitioner may bring any concerns raised in a petition to any legislator, and those concerns may be addressed directly through legislation.

Votes on Final Passage:

Second Special Session

House	89	0
Senate	44	0

Effective: September 26, 2015

ESHB 2263

C 24 L 15 E 3

Providing local governments with options to strengthen their communities by providing services and facilities for people with mental illness, developmental disabilities, and other vulnerable populations, and by increasing access to educational experiences through cultural organizations.

By House Committee on Finance (originally sponsored by Representatives Springer, Walkinshaw, Robinson, Tharinger, Carlyle, McBride, Fitzgibbon and Reykdal).

House Committee on Finance

Background: Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.1 percent, depending on the location.

Property Tax. Property taxes are imposed by state and local governments. The county assessor determines assessed value for each property. The county assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district. The assessor calculates the rate so the individual district rate limit, the district revenue limit, and the aggregate rate limits are all satisfied. The property tax bill for an individual property is determined by multiplying the assessed value of the property by the tax rate for each taxing district in which the property is located.

Summary: Cultural Access Programs. A county may establish a cultural access program (CAP) that allocates funds to cultural organizations providing programming or experiences for the general public. The primary purpose of the organization receiving funding must be the advancement or preservation of science or technology, the visual or performing arts, zoology, botany, anthropology, heritage, or natural history. The CAP funding must be used for a public benefit that generally relates to increasing access, outreach, and opportunities to the public.

Any county may authorize a CAP or enter into an interlocal agreement with a group of contiguous counties to create a CAP. A county may designate an entity or agency to operate the functions of the CAP. A county with a population under 1.5 million may contract with the Washington State Arts Commission to provide consulting, management, or administrative services to the CAP. Any county may establish an advisory council with members that include leaders in the business, educational, and cul-

tural communities who represent the interests of the program.

A city may create a CAP if the county where the city is located either expressly forfeits its own option or does not propose a choice to voters for creating a CAP before June 30, 2017. A city that creates a CAP shares the same authority as if created by the county.

Public School Cultural Access Program. Each CAP must include a public school cultural access program component to increase student access to cultural programming and facilities. In a county with a population over 1.5 million, the public school CAP must include: transportation for students to attend at least one program annually; a centralized service for cultural organizations to coordinate opportunities for students; consolidation of student opportunities to increase cost efficiency; the development of tools to correlate activities with school curricula; and partnerships between schools and cultural organizations. A portion of any remaining resources should be used to encourage districts and regional cultural organizations to enhance activities and programs.

Revenue and Tax Authority. A county may advance funding to the CAP for initial administrative costs, including public outreach about the program and proposed funding sources. The county may require repayment by the CAP from tax proceeds, if approved by voters.

A county with a population over 1.5 million, or a city in a county that has opted out, may levy a sales and use tax to fund a CAP. A county with a population below 1.5 million, or city in a county that has opted out, may levy either a sales and use tax or a property tax in order to fund a CAP. All levy authority is conditioned upon voter approval through a general or special election. Authorization through voter approval may last for no longer than seven years. The county may renew the tax levy after seven years for one or more additional seven-year periods upon voter approval at a general or special election. All tax revenue under this authority must be credited to a special fund in the county treasury and used solely for the CAP.

The sales and use tax may be levied up to 0.1 percent on the sale of goods and services within the county. The property tax may be levied up to an amount equal to the annual total taxable retail sales and uses multiplied by 0.1 percent, subject to the $5.90 local tax limit.

Funding Allocation. The usual and customary funding provided by a county to support cultural organizations may not be replaced or diminished by a CAP. Any CAP funds received by a state-related cultural organization may not replace or materially diminish any state funding usually received by the organization.

A County Under 1.5 Million People. A CAP must reserve program funds for allocation in the following priority:

- repayment of any start-up money provided by the county;
- program administrative costs;
- operation of a public school cultural access program, including music and arts education that is provided in addition to basic education funding; and
- remaining funds distributed to the entity designated by the county to allocate among eligible cultural organizations that meet the guidelines and criteria of the CAP.

A County over 1.5 Million People. A CAP must reserve program funds for allocation in the following priority:

- repayment of any start-up money provided by the county;
- program administrative costs (up to 1.25 percent of total funds);
- operation of a public school cultural access program (10 percent of remaining funds);
- distribution to regional cultural organizations that widely benefit the public, as determined by CAP guidelines (70 percent of remaining funds); and
- remaining funds distributed to the entity designated by the county to allocate funds to community-based cultural organizations or a community preservation and development authority (up to 8 percent of which may be used on the designated entity's administrative costs).

Management and Accountability. Funds distributed to a cultural organization may be used for cultural and educational programs and activities, capital projects (except for regional cultural organizations), equipment and supplies related to a project, and start-up costs for any new community-based cultural organization.

Funding distributed to a cultural organization must be used for a discernible public benefit related to:

- increasing access to programs and facilities, including reduced or free admission, particularly for diverse or underserved communities;
- providing services or programs away from the organization's facilities;
- providing educational programs in schools and other places;
- broadening programs, performances, and exhibitions for the public;
- supporting collaborative relations among cultural organizations; and
- supporting capacity building for community-based cultural organizations.

A county must evaluate a funding request based on the public benefit that the cultural organization plans to provide. The CAP must adopt guidelines and standards of performance by the organization in providing the public benefit. The guidelines must include procedures to notify organizations at risk of losing eligibility and provide mea-

sures for retaining eligibility. At the conclusion of a CAP-funded project, the organization must report on the public benefit realized.

In a county over 1.5 million people, a regional cultural organization is eligible to receive funding if it: is a state nonprofit corporation in good standing; is located in the county and primarily benefits county residents; has not recently declared bankruptcy; has provided financial statements to the CAP; and has an adjusted average annual revenue of at least $1.25 million. A regional cultural organization in a county over 1.5 million people must reserve at least 20 percent of funds for, and report annually on, its participation in the public school cultural access program. The annual report on the public school cultural access program must include data on how many students were served at each event type, grade level, and school location, and the percentage of students who participate in free or reduced-price school meal programs. Upon renewal of a tax levy authority for the CAP, as approved by the voters, the county must set a new minimum annual revenue amount for a regional cultural organization.

The funding allocation available to eligible regional cultural organizations is distributed proportionally based on an annual ranking based on each organization's revenue and attendance. No organization may receive more than 15 percent of its annual revenue.

Housing and Related Services. County legislative authorities may implement a 0.1 percent sales and use tax, if approved by a majority of voters, in order to fund housing and related services. A city legislative authority may implement the whole or remainder of the tax if, if approved by a majority of voters, the county has not opted to implement the full tax within two years in a county with a population of less than 1.5 million, or three years in a county with a population of over 1.5 million.

A minimum of 60 percent of revenues collected must be used for constructing affordable housing, affordable housing units, facilities providing housing-related services, or mental and behavior health-related services, or to fund the operations and maintenance costs of newly constructed affordable housing, facilities providing housing-related services, or evaluation and treatment centers. The affordable housing and facilities providing housing-related programs must serve any of the following individuals with income below 60 percent of area median income: individuals with mental illness, veterans, senior citizens, homeless families with children, unaccompanied homeless youth, persons with disabilities, or domestic violence victims.

A county may issue bonds against up to 50 percent of the revenues in order to construct affordable housing, housing units, and facilities providing housing-related services or mental and behavior health-related services. The remainder of the funding must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs or housing-related services.

Revenues may be used to offset reductions in state or federal funds for housing and related services; however, no more than 10 percent of the revenues collected may be used to supplant existing local funding for such services.

Votes on Final Passage:

Second Special Session

House	89	8

Third Special Session

House	87	10
Senate	33	12

Effective: October 9, 2015
January 1, 2018 (Section 405)

HB 2264

C 21 L 15 E 3

Amending the statewide minimum privacy policy for disclosure of customer energy use information.

By Representatives Smith and Haler.

House Committee on Technology & Economic Development

Background: The Statewide Minimum Privacy Policy for Disclosure of Customer Energy Use Information. Legislation enacted in the 2015 regular session established the Statewide Minimum Privacy Policy (Privacy Policy) for disclosure of utility customer energy use information.

Effective July 24, 2015:

- an electric utility may not sell private or proprietary retail electric customer information;
- except under limited circumstances, an electric utility may not disclose private or proprietary retail electric customer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a retail electric customer who does not already subscribe to the service or product, unless the utility has first obtained the customer's written or electronic permission;
- customer permission is not required when the utility has a contract with a third party that is directly related to the conduct of the utility's business, if the contract prohibits the third party from further disclosing any private or proprietary customer information to certain other third parties; and
- a person other than an electric utility may not capture, obtain, or disclose private or proprietary customer information for commercial purposes except under limited circumstances.

"Person" means any individual, partnership, corporation, limited liability company, or other organization or commercial entity, other than an electric utility.

"Private consumer information" includes the customer's name, address, telephone number, and any other personally identifying information.

Enforcement of the Privacy Policy. Violation of the Privacy Policy is declared an unfair and deceptive act in trade or commerce and an unfair method of competition for purposes of applying the Consumer Protection Act (CPA).

Consumer Protection Act. The CPA prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce directly or indirectly affecting the people of Washington. The CPA allows a person injured by a violation of the act to bring a private cause of action for damages. In addition, the CPA allows the Attorney General (AG) to bring a CPA action in the name of the state or on behalf of persons residing in the state. In an action brought by the AG, the prevailing party may, at the discretion of the court, recover the costs of the action and reasonable attorneys' fees.

The CPA does not apply to actions or transactions that are regulated by the Utilities and Transportation Commission (UTC). Therefore, the CPA does not apply to regulated actions of an investor-owned utility. In addition, the CPA has been construed to be inapplicable to actions of municipal corporations, including public utility districts, on the grounds that actions of such municipal corporations have not been deemed to be actions "in the conduct of trade or commerce."

Disclosure of Private Customer Energy Information by Investor-Owned Utilities. The UTC prohibits investor-owned utilities from disclosing or selling private consumer information with or for a utility's affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a customer who does not already subscribe to that service or product, unless the utility obtains the customer's written or electronic permission.

Consumer-Owned Utilities. "Consumer-owned utility" (COU) means a municipal electric utility, a public utility district, an irrigation district, a cooperative, or a mutual corporation or association, that is engaged in the business of distributing electricity to more than one retail electric customer in the state. The UTC does not have authority to regulate COUs, which are instead primarily regulated by their own governing bodies. The State Auditor's Office has authority to examine the financial affairs of all local governments, including public utility districts and municipal electric utilities, and to audit the compliance of COUs with the Energy Independence Act.

Summary: The Statewide Minimum Privacy Policy for Disclosure of Customer Energy Use Information. An electric utility's authority to disclose private or proprietary customer information to a third party with which the utility has a contract is modified. In addition to prohibiting the third party from further disclosing the customer information, the contract must prohibit the third party from selling the information to a party that is not the utility and not a party to the contract with the utility.

Implementation by Consumer-Owned Utilities. A consumer-owned utility (COU) must implement the Statewide Minimum Privacy Policy for disclosure of customer energy use information through a policy adopted by its governing board by October 9, 2016. The policy must include provisions ensuring compliance with the statewide minimum privacy policy and must include procedures, consistent with applicable law, for investigation and resolution of complaints by a retail electric customer whose private or proprietary information may have been sold by the COU or disclosed by the utility for the purposes of marketing services or product offerings without the customer's permission.

Consumer Protection Act. Disclosure or sale of private or proprietary customer information by an electric utility is no longer declared an unfair or deceptive act in trade or commerce and enforceable under the Consumer Protection Act (CPA). Disclosure or sale of private or proprietary customer information by a third party remains enforceable as a CPA violation, if a contract with the utility prohibited the third party from further disclosure or sale of the customer information.

Votes on Final Passage:

Third Special Session

House	97	0
Senate	44	0

Effective: October 9, 2015

EHB 2266

C 38 L 15 E 3

Deferring implementation of class size reduction and school employee staffing formula changes.

By Representative Sullivan.

House Committee on Appropriations

Background: Prototypical Schools. Legislation enacted in 2009 and 2010 redefined basic education and restructured the K-12 funding formulas. In 2009 legislation was enacted that expanded the definition of basic education and established the framework for a new K-12 funding allocation formula based on prototypical schools. In 2010 legislation was enacted that established the new prototypical school allocation formulas at funding levels that represented the 2009-10 school year state spending on basic education. Additionally, the 2010 legislation called for phased-in implementation of specified enhancements to the basic education program and the funding to support it. Three of these four enhancements have been partially implemented, as of the 2014-15 school year: (1) specified increases in funding for materials, supplies, and operating costs (MSOC) by the 2015-16 school year; (2) full funding of class size reductions for grades kindergarten through 3

(K-3) by the 2017-18 school year; and (3) statewide implementation of all-day kindergarten, also by the 2017-18 school year.

The prototypical school funding formula for basic education took effect September 1, 2011. The formula allocates funds to school districts based on assumed levels of staff and other resources necessary to support a "prototypical" school that serves an assumed number of students at defined elementary, middle, and high school levels. The structure of the formula provides allocations for classroom teachers at an assumed class size, plus other building-level staff such as principals, teacher-librarians, counselors, and office support. The allocations to a school district are adjusted to reflect the full-time equivalent enrolled students, in proportion to the prototypical school ratios. The funding provided to school districts through the prototypical school formulas is for allocation purposes only. Districts have discretion over how the money is spent, subject to some limits.

Initiative 1351. Washington voters approved Initiative 1351 (I-1351) on November 4, 2014. Initiative 1351 amended the prototypical school funding formula to lower class sizes in all grades; provide additional class size reductions in high poverty schools beyond those specified for the general education class sizes; and increase the allocation of school-based and district-wide staff units in all categories. The initiative specified a phase-in schedule for the funding of the new prototypical schools funding formula. For the 2015-17 biennium, funding allocations are required to be no less than 50 percent of the difference between the funding necessary to support the prototypical model as of September 1, 2013, and the funding necessary to support the numerical values to support the prototypical model as revised by the initiative. Full implementation of I-1351 is required to be completed by the end of the 2017-19 biennium.

During the two-year period after a ballot measure is approved by the voters, there are special limitations on repeal or amendment of the measure. First, the measure may not be repealed by legislative vote, but it may be repealed by "direct vote" of the people. Second, the measure may be amended by legislative vote with a two-thirds approval of both houses, or by "direct vote" of the people. "Direct vote" of the people includes voter enactment of a referendum bill approved by a constitutional majority of both houses of the Legislature.

Summary: Legislative findings and intent are declared regarding educational reasons for temporary deferral of Initiative 1351. First, the Legislature intends to focus on implementation of the 2009 and 2010 legislation that redefined basic education, which the *McCleary v. State* (2012) ruling identified as a remedy. These reforms include class size reduction in early grades as recommended by the research reviewed by the Basic Education Funding Task Force and the Quality Education Council. Second, the Legislature finds that there are practical implementation issues for the deferral, including production of new teachers, the need to avoid exacerbating teacher recruitment challenges, and time to plan and construct new classrooms.

The implementation schedule specified under I-1351 is revised, delaying by four years the implementation of allocations for class size reduction and increased staffing units. The first biennium by which the Legislature must begin providing funding for prototypical staffing increases is changed to the 2019-21 biennium. Full funding is required to be provided by the end of the 2021-23 biennium.

Votes on Final Passage:

Third Special Session

House	72	26
Senate	33	11

Effective: July 14, 2015

EHB 2267

C 29 L 15 E 3

Suspending the state expenditure limit in order to implement the state's Article IX obligation to amply fund basic education.

By Representative Hunter.

House Committee on Appropriations

Background: In 1993 voters adopted Initiative 601, which established the state expenditure limit. The expenditure limit law restricts the amount that the state may spend from the State General Fund (GFS) each fiscal year. The expenditure limit for each year is the prior year's actual GFS expenditures, adjusted for inflation as measured by a 10-year rolling average of personal income growth, and further adjusted for revenue and program transfers into and out of the GFS.

The state Expenditure Limit Committee establishes, adjusts, and projects the expenditure limit. The State Treasurer is prohibited from making payments from the GFS that exceed the limit.

Legislation enacted in 2012 established requirements for a four-year balanced budget and a budget Outlook process. The Economic and Revenue Forecast Council adopts the Outlook, which is a four-year projection of GSF and related fund revenues and expenditures.

Summary: The Legislature declares its intent to temporarily suspend the state expenditure limit in the biennia during which and immediately following the state's phase-in of funding of its Article IX obligations pursuant to Chapter 584, Laws of 2009 (ESHB 2261), Chapter 236, Laws of 2010 (SHB 2776), and the *McCleary* court case.

The state expenditure limit is suspended until the 2021-23 fiscal biennium. The expenditure limit for fiscal year 2022 equals the state's actual GFS expenditures for fiscal year 2021, adjusted by the fiscal growth factor.

The Economic and Revenue Forecast Council, in consultation with the Expenditure Limit Committee, must prepare draft legislation for introduction in the 2016 legislative session that synchronizes the requirements of the expenditure limit, the four-year balanced budget requirement, and the budget Outlook process.

Votes on Final Passage:

Third Special Session

House	64	33
Senate	33	11

Effective: July 6, 2015

EHB 2286

C 2 L 15 E 3

Directing the treasurer to transfer budget stabilization account deposits that are attributable to extraordinary revenue growth in the 2013-2015, 2015-2017, and 2017-2019 fiscal biennia.

By Representative Hunter.

Background: In 2007 the voters ratified a constitutional amendment that created the Budget Stabilization Account (BSA) as Article VII, section 12 of the state constitution. Each year, the State Treasurer must deposit 1 percent of general state revenues (GSR) into the constitutionally created BSA. The term GSR is defined in the constitution and is generally synonymous with the statutory State General Fund (GFS).

In general, appropriations from the BSA require a three-fifths majority in each house of the Legislature, but in the case of a catastrophic event or low employment growth, the Legislature may appropriate from the BSA with a constitutional majority vote of each house.

In 2011 the voters ratified an amendment to Article VII, section 12 that required further deposits into the BSA. In biennia in which the state experiences extraordinary revenue growth (ERG), an amount equivalent to three-quarters of the ERG must be transferred to the BSA. Extraordinary revenue growth is defined as the amount by which the percentage growth of GSR in that biennium exceeds by more than one-third the average percentage growth in GSR over the five previous biennia. Extraordinary revenue growth is transferred only to the extent that it exceeds the required 1 percent transfer, and ERG is not transferred in a biennium that follows a fiscal biennium in which employment growth averaged less than 1 percent per fiscal year.

Under legislation that was enacted in 2012 and is often referred to as the budget Outlook, the operating budget must be balanced over four years. This means that the legislative budget for the current biennium must leave a positive ending fund balance in the GFS and related funds, and that the projected maintenance level costs of that budget in the ensuing biennium must not exceed the estimated available fiscal resources for the ensuing biennium. However, the requirement to balance in the ensuing biennium does not apply in a fiscal biennium in which moneys are appropriated from the BSA.

Summary: During the 2013-15, 2015-17, and 2017-19 fiscal biennia, the State Treasurer must transfer from the BSA to the GFS the entire amounts of the BSA deposits for the respective biennia that are attributable to ERG. Maximum transfer amounts are specified for each biennium.

The transfers in this bill do not alter the requirement to balance the budget in the ensuing fiscal biennium.

Votes on Final Passage:

Third Special Session

House	89	9
Senate	44	1

Effective: June 30, 2015

SSB 5004

C 288 L 15

Establishing the position and authority of warrant officers.

By Senate Committee on Law & Justice (originally sponsored by Senators Angel and Rolfes).

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Washington cities fall into one of the following classifications based on population: first class, second class, and town. A first-class city is defined as a city with a population of 10,000 or more at the time of its organization or reorganization and has a charter adopted under the state Constitution. A second-class city is a city with a population of 1500 or more at the time of its organization or reorganization that does not have a charter adopted under the state Constitution and does not operate under the state Model Municipal Code. A town has a population of up to 1500 at the time of its organization and does not operate under the state Model Municipal Code.

A warrant officer is a limited-commission officer with the authority to arrest based on misdemeanor warrants and to serve court orders. Warrant officers are not fully commissioned law enforcement officers subject to law enforcement academy requirements. Washington law currently provides cities with a population of over 400,000 with the authority to maintain the position of warrant officer within the city police department. These cities are authorized to establish the number of warrant officer positions and the qualifications for warrant officers by ordinance. The warrant officer's compensation must be paid by the city employing the warrant officer. A warrant officer is vested only with the authority to make arrests authorized by court order and other arrests as authorized by ordinance. A municipal court order may not be executed by the warrant officer outside of the limits served by that

court unless the person authorized by the order first contacts the law enforcement agency in whose jurisdiction the order is to be served. If a defendant is arrested in another city or county pursuant to a municipal court order, the municipal court issuing the order bears the cost of arresting the defendant, serving the order, and returning the defendant to the city. Warrant officers are not entitled to death, disability, or retirement benefits currently authorized under state law for law enforcement officers and firefighters. A city with a population of up to 400,000 is not expressly authorized by statute to maintain the position of warrant officer within its police department.

Summary: Any code or non-code city or town may establish and maintain the position of warrant officer within the police department. A warrant officer is vested only with authority identified in ordinance which may include making arrests authorized by warrants, and service of civil and criminal process. The authority to serve or enforce a court's process is limited to the authority that the local jurisdiction has granted by ordinance. The chief of police must establish training requirements consistent with the duties of the warrant officer, which must be approved by the Criminal Justice Training Commission.

Votes on Final Passage:

Senate	43	1	
House	70	28	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SB 5011

C 289 L 15

Addressing third-party payor release of health care information.

By Senators Becker, Cleveland, Frockt and Keiser.

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: The federal Health Insurance Portability and Accountability Act of 1996 establishes nationwide standards for the use, disclosure, storage, and transfer of protected health information. In Washington the Uniform Health Care Information Act governs the disclosure of health care information by health care providers.

Legislation passed in 2014 (ESSB 6265) modified the requirements for the disclosure of patient health care information, including elimination of duplicative standards for disclosures and streamlining standards related to sharing mental health records between providers. One change was made to allow third-party payors to disclose information only as provided under the Uniform Health Care Information Act, but reference to health care providers was removed, and the section was vetoed by the Governor. The same section of statute was amended in a different bill that established the framework for the All Payer Claims Database (E2SHB 2572) and the broader reference to the Uniform Health Care Information Act was not corrected.

Summary: The Uniform Health Care Information Act is corrected to allow third-party payors to release health care information only to the extent health care providers are authorized to do so under the All Payer Claims Database and the two sections of the Uniform Health Care Information Act that allow providers to release health care information without authorization.

Votes on Final Passage:

Senate	47	0	
House	96	1	(House amended)
Senate	46	1	(Senate concurred)

Effective: May 18, 2015

SB 5015

C 5 L 15 E 1

Extending the dairy inspection program assessment expiration date.

By Senators Honeyford and Ericksen.

Senate Committee on Agriculture, Water & Rural Economic Development
House Committee on Agriculture & Natural Resources
House Committee on General Government & Information Technology

Background: To ship fluid milk and milk products across state lines, the Washington State Department of Agriculture (WSDA) administers a milk inspection program in accordance with standards established by the National Conference of Interstate Milk Shipments (NCIMS). A milk assessment fee is assessed to support the dairy inspection program, and to maintain compliance with the provisions of NCIMS and the Grade A Pasteurized Milk Ordinance.

The current authority to collect the milk assessment expires on June 30, 2015.

Summary: The current authority to assess milk processed in the state is extended until June 30, 2020. The current maximum assessment level of $0.0054 per hundredweight is retained.

The funds continue to be deposited in the dairy inspection account within the agricultural local fund. The funds continue to be used only to provide inspection services to the dairy industry.

Votes on Final Passage:

Senate	47	0

First Special Session

Senate	47	0
House	92	0

Effective: August 27, 2015

SSB 5023
C 19 L 15

Concerning the filing of group health benefit plans other than small group plans, stand-alone dental plans, and stand-alone vision plans by disability insurers, health care service contractors, and health maintenance organizations.

By Senate Committee on Health Care (originally sponsored by Senators Parlette and Keiser).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: The Office of the Insurance Commissioner (OIC) regulates insurance carriers and insurance products, including health insurance plans. There are three types of health insurance carriers or issuers, disability insurers, health care service contractors, and health maintenance organizations. In addition, there are limited health care service contractors that may offer dental services, vision care services, or other services. Each type of carrier has unique insurance laws, and the laws may vary for large groups, small groups, and the individual market.

Recent changes in federal law have resulted in more standardized review processes for insurance rate filings and contract filings, often known as rates and forms, in particular for the individual market and the small group market. There are some remaining differences for forms filings based on carrier license type and the product and market offering. The OIC rules for forms filings detail the requirements for health care service contractors and health maintenance organizations, while disability insurers follow different requirements.

Summary: All rates and forms of group health benefit plans, other than small group plans, and all stand-alone dental and stand-alone vision plans offered must be filed before the contract form is offered for sale to the public and before the rate schedule is used.

Filings of negotiated group contract forms, other than small group plans, must be filed within 30 working days after the negotiations are complete, or the date the renewal premiums are implemented. A negotiated contract includes a health benefit plan, stand-alone dental or stand-alone vision plan where the benefits and other terms and conditions are negotiated and agreed to by the carrier and the policy holder. The rates and forms must comply with state and federal laws.

Stand-alone dental and stand-alone vision plans offered by a disability insurer to out-of-state groups may be negotiated, but may not be offered in this state before the Commissioner finds that stand-alone dental and stand-alone vision plans meet the standards set for disability insurers.

Rules developed by OIC to implement this section must use the already-adopted standards in place for health care service contractors and health maintenance organizations.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

SB 5024
PARTIAL VETO
C 225 L 15

Making conforming amendments made necessary by reorganizing and streamlining central service functions, powers, and duties of state government.

By Senator Benton; by request of Department of Enterprise Services.

Senate Committee on Government Operations & Security
House Committee on General Government & Information Technology

Background: A 2011 act extensively reorganized and, in some cases, renamed state agencies that primarily provide services to other agencies, including contracting, risk management, information technology, and employee management services. The 2011 act did not comprehensively revise all affected statutes. Accordingly, many statutes contain provisions that are inconsistent with the 2011 act or are otherwise outdated or obsolete.

Summary: Several statutes are revised to conform to the 2011 act reorganizing state agencies that primarily provide services to other agencies. Outdated or obsolete provisions are corrected, or repealed.

Votes on Final Passage:

Senate	47	0	
House	97	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

Partial Veto Summary: The Governor vetoed sections previously amended or repealed, rather than decodified, by other legislation.

VETO MESSAGE ON SB 5024

May 11, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 19, 25, 48, 49, and 127, Senate Bill No. 5024 entitled:

"AN ACT Relating to conforming amendments made necessary by reorganizing and streamlining central service functions, powers, and duties of state government."

The following sections contain conflicting or double amendments to sections of law amended in legislation I have already signed into law and are not necessary:

Section 19 amends RCW 19.27A.020, which was also amended in House Bill No. 1011, already signed into law.

Section 25 amends RCW 27.48.040, which was also amended in Senate Bill No. 5176, already signed into law.

Sections 48 and 49 amend RCW 39.35C.050 and 39.35C.090,

which were also amended in Senate Bill No. 5075, already signed into law.

Section 127 decodifies RCW 43.19.533, which was repealed in Senate Bill No. 5075, already signed into law.

For these reasons I have vetoed Sections 19, 25, 48, 49, and 127 of Senate Bill No. 5024.

With the exception of Sections 19, 25, 48, 49, and 127, Senate Bill No. 5024 is approved.

Respectfully submitted,

Jay Inslee
Governor

SSB 5027
C 259 L 15

Providing access to the prescription drug monitoring database for clinical laboratories.

By Senate Committee on Health Care (originally sponsored by Senators Angel, Darneille, Dammeier, Keiser, Parlette, Cleveland, Bailey and Chase).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: In 2007 the Department of Health (DOH) was authorized to establish and maintain a Prescription Monitoring Program (PMP) to monitor the prescribing and dispensing of all Schedules II, III, IV, and V controlled substances. Information submitted for each prescription must include at least a patient identifier, the drug dispensed, the date of dispensing, the quantity dispensed, the prescriber, and the dispenser. With certain exceptions, prescription information submitted to DOH is confidential. The exceptions allow DOH to provide data in the Prescription Monitoring Program to the following: persons authorized to prescribe or dispense controlled substances; an individual who requests the individual's own records; health professional licensing, certification, or regulatory agencies; law enforcement officials who are engaged in bona fide specific investigations involving a designated person; authorized practitioners of the Department of Social and Health Services and the Health Care Authority regarding Medicaid recipients; the Director of the Department of Labor and Industries regarding workers' compensation claimants; the Director of the Department of Corrections regarding committed offenders; entities under court order; and DOH personnel for the purposes of administering the program. Data may also be provided to public or private entities for statistical, research, or educational purposes after removing identifying information.

Test sites are facilities that analyze materials derived from the human body for the purposes of health care, treatment, or screening. Test sites are licensed by DOH and must meet quality control, quality assurance, recordkeeping, and personnel requirements established by DOH and federal law.

Summary: DOH may provide data in the PMP to personnel of a test site if:

- a person authorized to prescribe or dispense drugs engages the test site to provide assistance in determining which medications are being used by a patient under the person's care;
- the test site has a procedure to ensure that the privacy and confidentiality of patients and their information are maintained and not disclosed to unauthorized parties;
- the test site does not charge clients for accessing the PMP;
- the test site is licensed by DOH; and
- the test site is certified as a drug testing laboratory by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (Administration).

Test sites may not store, share, or sell data accessed from the PMP database. The data may only be transmitted to prescribing health care practitioners for the purpose of caring for their patients. A responsible person, as designated by the Administration, must supervise the test site's access to data.

Votes on Final Passage:

Senate	49	0	
House	77	20	(House amended)
Senate	42	2	(Senate concurred)

Effective: July 24, 2015

SSB 5030
C 188 L 15

Addressing the limited liability company act.

By Senate Committee on Law & Justice (originally sponsored by Senators Pedersen and O'Ban; by request of Washington State Bar Association).

Senate Committee on Law & Justice
House Committee on Judiciary

Background: A limited liability company (LLC) is a type of business organization. LLCs have flexible structures and management. An LLC only needs one individual member – owner – but multiple business organizations may also join together as members to form an LLC. An LLC may be member managed or manager managed. An LLC organization provides its members with the benefits of both a corporation and a partnership, and is relatively easy to create. Like a corporation, the LLC structure protects the members from liability in most circumstances. Like a partnership, LLCs are not taxed as a separate business entity under federal law – no double taxation.

Washington enacted its first law governing LLCs in 1994. Under the current law, the LLC's members must file a certificate of formation with the Secretary of State to cre-

ate an LLC. LLCs must comply with all other state laws and with the terms of a written LLC agreement. The written LLC agreement binds the members and governs the LLC's affairs. LLCs have the same power to conduct business that an individual has for matters not covered by state law or the LLC agreement.

Summary: The LLC agreement governs the relations between the LLC and its members, the relations among the LLC's members, and the LLC manager's rights and duties. If the LLC agreement does not specify these internal relations, legal rights, and duties, default rules and presumptions supplement the LLC agreement as a matter of law. Some of the default rules also set minimum legal requirements that an LLC agreement cannot limit or eliminate.

An LLC agreement may be written, oral, or implied. However, like similar laws governing partnerships, the LLC must make a written record if it limits the rights of dissenters to a merger. An LLC may either be member managed or manager managed. Unless the LLC agreement provides otherwise, an LLC is presumed member managed. A majority vote is sufficient to authorize most LLC actions that require member consent. Some LLC actions, like merger or conversion, require a unanimous vote of members or additional member approval.

The LLC manager owes defined fiduciary duties of loyalty and care. Members owe the same fiduciary duties to a member-managed LLC.

As to matters in the ordinary course of an LLC's activities, each member of a member-managed LLC is the LLC's agent and has apparent authority to bind the LLC. Likewise, each manager of a manager-managed LLC is the LLC's agent and has the authority to bind the LLC. Members no longer have apparent authority to bind a manager-managed LLC.

An LLC must provide its members with any records the members request subject to reasonable limits on the use of the records. An LLC must allocate and distribute profits and losses according to specific requirements. An insolvent LLC may not make distributions to its members.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: January 1, 2016

SB 5031

C 20 L 15

Permitting advance action regarding business opportunities under the business corporation act.

By Senators Pedersen and O'Ban; by request of Washington State Bar Association.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Corporate directors and officers must always act in the corporation's best interests because they are bound by their fiduciary duty of loyalty. Under the duty of loyalty, a director or officer must not take advantage of a business opportunity for personal gain when the business opportunity rightfully belongs to the corporation. A fiduciary who violates this duty is held responsible under the common law corporate opportunity doctrine.

Some states protect corporate officers and directors from potential liability under the corporate opportunity doctrine with statutory safe harbor provisions allowing the fiduciary to seek the corporation's approval and obtain the corporation's disclaimer of all rights to the business opportunity. Currently Washington's Business Corporations Act (WBCA) does not provide this safe harbor.

Other states allow a corporation to include a provision in its articles of incorporation relieving directors and officers of their duty to offer a business opportunity to the corporation before pursuing the opportunity for personal interests. The corporation may limit the provision to specific circumstances. Currently WBCA does not authorize a corporation to include this provision in its articles of incorporation.

Summary: Articles of incorporation may limit or eliminate a director's or officer's duty to offer a business opportunity to the corporation before pursuing it for personal interests.

A corporation or its shareholders cannot sue a director or officer for breach of duty under the corporate opportunity doctrine if:

- the director or officer offers the business opportunity to the corporation before acting on it; and
- the corporation disclaims its interests by following specific statutory disclaimer procedures.

The fact that a director or officer failed to offer a business opportunity to the corporation, and failed to obtain a corporate disclaimer before acting, is not enough evidence to prove a breach of duty in a lawsuit.

Votes on Final Passage:

Senate	47	0
House	96	1

Effective: July 24, 2015

SB 5032
C 107 L 15

Specifying when a transaction in the form of a lease does not create a security interest for purposes of the uniform commercial code.

By Senators Pedersen and O'Ban.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: The Uniform Commercial Code (UCC) controls commercial transactions between merchants, such as equipment sales and leases. Washington laws follow the UCC. For commercial transactions, the UCC distinguishes leases from secured sales based on the transactions' terms. Bankruptcy and tax laws vary depending on whether a transaction is a lease or a sale subject to a seller's retained security interest.

A common commercial lease term allows rental payments to change based on the sale amount when the leasing company sells the equipment. These leases are commonly called terminal rental adjustment or TRAC leases. In 2012 the Legislature amended the commercial code provisions distinguishing leases from secured sales. Currently these provisions do not address TRAC leases.

Summary: Case-specific facts determine if a transaction in lease form creates a lease or a security interest. A transaction in lease form does not create a security interest merely because it contains a TRAC provision.

Votes on Final Passage:

Senate	46	1
House	97	0

Effective: July 24, 2015

SB 5035
C 4 L 15

Authorizing the awarding of the medal of valor to a group of persons.

By Senators Pearson, Kohl-Welles, Hatfield and Liias; by request of Lieutenant Governor and Secretary of State.

Senate Committee on Government Operations & Security
House Committee on State Government

Background: In 2000 the state Medal of Valor was established. The medal may be awarded by the Governor, in the name of the state, to any person who saved, or attempted to save, the life of another at the risk of serious injury or death to themselves, upon the selection of the Governor's Medal of Valor Committee. The award is presented only during a joint session of both houses of the Legislature. Any individual may nominate any resident of this state for any act of valor.

The medal cannot be awarded to those acting as a result of service given by any branch of law enforcement, firefighting, rescue, or other hazardous profession where the individual is employed by a government entity within the state of Washington. It may be awarded posthumously.

The Governor's Medal of Valor Committee consists of the Governor, President of the Senate, Speaker of the House of Representatives, and Chief Justice of the Supreme Court, or their designees. The Secretary of State serves as a nonvoting ex-officio member and serves as the secretary to the committee.

Summary: The state Medal of Valor may also be awarded to a group of persons who saved, or attempted to save, the life of another at the risk of serious injury to themselves.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: March 2, 2015

ESSB 5048
C 172 L 15

Subjecting a resolution or ordinance adopted by the legislative body of a city or town to assume a water-sewer district to a referendum.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Chase, Roach, Hatfield and Miloscia).

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

Background: Water-sewer districts provide water and sewer services to incorporated and unincorporated areas. Districts are established through a petition, public hearing, and voter approval process and are managed by a board of elected commissioners. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants, and to develop and operate sewer and drainage systems.

Cities and towns may provide for the sewerage, drainage, and water supply of the city or town. They may also establish, construct, and maintain water supply systems and systems of sewers and drains both within and outside their corporate limits.

A city legislative authority may adopt a resolution or ordinance to assume jurisdiction of all or part of a district when:

- a district is wholly within the boundaries of the city or town;
- part of a district equal to at least 60 percent of the district area or 60 percent of the assessed valuation of real property in the district is within the boundaries of the city or town; or
- part of a district equal to less than 60 percent of the district area and less than 60 percent of the assessed

valuation of real property in the district is within the boundaries of the city or town.

If a city or town assumes jurisdiction over an entire district, all property, franchises, rights, assets, district-specific taxes levied, and all other facilities and equipment of the district become the property of the city upon assumption. The city manages the district, including its facilities and equipment, and collects service charges from the properties served by the city. The city must honor or assume existing district debts.

A city may assume jurisdiction by ordinance over a portion of a district located within its jurisdiction if the portion equals at least 60 percent of the district's total area or assessed real property valuation. Cities encompassing less than 60 percent of the district's total area and assessed real property valuation may assume jurisdiction of the district that is within its corporate city limits. In both situations, the district's voters may elect to require the city to assume responsibility for the management of the district's property, facilities, and equipment throughout the entire district.

If a district includes more than one city, a city encompassing at least 60 percent of the district's assessed valuation may assume management responsibility over the district if that city has approval from the other city or cities included within the district. The other cities may install facilities and establish local improvement districts to pay for these facilities, which may be connected to the utility system operated by the principal city if they were installed in accordance with the principal city's standards.

Summary: A resolution or ordinance to assume jurisdiction over all or a portion of a district is subject to referendum. A resolution or ordinance to assume jurisdiction of all or a part of a district may not take effect until 90 days after its adoption. A referendum petition to repeal the assumption resolution or ordinance must be submitted within ten days of the resolution or ordinance's passage.

Within ten days of submission of a referendum petition, the county auditor must issue an identification number and must notify the petitioner. The ballot title must be written by the applicable city attorney. The petitioner has 45 days to gather signatures. The referendum petition must be signed by at least 10 percent of the residents who voted in the most recent election and who live within the part of the district to be assumed.

If there are sufficient signatures on the referendum petition, the question of assumption must be submitted to the voters residing in the part of the district to be assumed at the next general election, or a special election held no later than 120 days after the signed petition is filed with the county auditor. The election cost must be paid by the city seeking approval to assume jurisdiction of all or part of the district.

When a referendum petition is filed with the county auditor, the assumption resolution or ordinance sought to be referred to the voters and any proceedings before a boundary review board are suspended from taking effect. The suspension terminates if there are insufficient signatures or the petition is not submitted in a timely manner, or if the assumption resolution or ordinance is approved by the voters.

The assumption of a district is not subject to a referendum if the city and the district enter into a contract or interlocal agreement for the assumption of all or part of the district.

Votes on Final Passage:

Senate	28	21	
House	96	1	(House amended)
Senate	43	6	(Senate concurred)

Effective: July 24, 2015

2SSB 5052

PARTIAL VETO

C 70 L 15

Establishing the cannabis patient protection act.

By Senate Committee on Ways & Means (originally sponsored by Senators Rivers, Hatfield and Conway).

Senate Committee on Health Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness

Background: Medical Use of Marijuana. In 1998 voters approved Initiative 692 which permitted the use of marijuana for medical purposes by qualifying patients. The Legislature subsequently amended the chapter on medical use of marijuana in 2007, 2010, and 2011, changing who may authorize the medical use of marijuana, the definition of terminal or debilitating medical condition, what constitutes a 60-day supply of medical marijuana, and allowing qualifying patients and designated providers to participate in collective gardens.

In order to qualify for the use of medical marijuana, patients must have a terminal or debilitating medical condition such as cancer, the human immunodeficiency virus, multiple sclerosis, intractable pain, glaucoma, Crohn's disease, hepatitis C, nausea or seizure diseases, or a disease approved by the Medical Quality Assurance Commission, and the diagnosis of this condition must be made by a health care professional. The health care professional who determines that a person would benefit from the medical use of marijuana must provide that patient with valid documentation written on tamper-resistant paper.

Qualifying patients who hold valid documentation may assert an affirmative defense at trial that they are authorized medical marijuana patients. These patients are not currently provided arrest protection.

Patients may grow medical marijuana for themselves or designate a provider to grow on their behalf. Designated providers may only provide marijuana for one patient at a time, must be 18 years of age, and must be designated in

writing by the qualifying patient to serve in this capacity. There is no age limit for patients. Qualifying patients and their designated providers may possess no more than 15 marijuana plants and 24 ounces of useable marijuana product.

Up to ten qualifying patients may share responsibility for acquiring and supplying the resources required to produce, process, transport, and deliver marijuana for the medical use of its members. Collective gardens may contain up to 45 plants and 72 ounces of useable marijuana and no marijuana from the collective garden may be delivered to anyone other than one of the qualifying patients participating in the collective garden. No provision for the sale of marijuana from a collective garden or for the licensing of collective gardens is made in statute.

No state agency is provided with regulatory oversight of medical marijuana. The Department of Health (DOH) does provide guidance to its licensees who recommend the medical use of marijuana, and is the disciplinary authority for its providers who authorize the medical use of marijuana in violation of the statutory requirements. DOH does not perform investigations until a complaint is made that someone is unlawfully authorizing the medical use of marijuana. There are no statutory licensing or production standards for medical marijuana and there are no provisions for taxation of medical marijuana.

Recreational Use of Marijuana. In 2012 voters approved Initiative 502 which established a regulatory system for the production, processing, and distribution of limited amounts of marijuana for non-medical purposes. Under this system, the Liquor Control Board (LCB) issues licenses to marijuana producers, processors, and retailers, and adopts standards for the regulation of these operations. The number of these licenses that may be issued is established by LCB. Persons over 21 years of age may purchase up to one ounce of useable marijuana, 16 ounces of solid marijuana-infused product, 72 ounces of liquid marijuana-infused product, or seven grams of marijuana concentrates at a licensed retailer.

Federal Response to State Marijuana Regulations. Washington is one of 33 states, and the District of Columbia, that have passed legislation allowing the use of marijuana for medicinal purposes – although some of these states permit the use of high cannabidiol products only. Washington is also one of four states, and the District of Columbia, that allow recreational use of marijuana. The use of marijuana remains illegal under federal law. However, Congress in its 2015 fiscal year funding bill provided that the United States Department of Justice (DOJ) may not use federal funds to prevent states from carrying out their medical marijuana laws. Additionally, the DOJ has issued several policy statements regarding state regulation of marijuana and describing when prosecutors may intervene. Federal prosecutors have been instructed to focus investigative and prosecutorial resources related to marijuana on specific enforcement priorities to prevent: the distribution of marijuana to minors; marijuana sales revenue from being directed to criminal enterprises; marijuana from being diverted from states where it is legal to states in which it is illegal; state-authorized marijuana activity from being used as a cover for trafficking other illegal drugs or other illegal activity; violence and the use of firearms in the production and distribution of marijuana; drugged driving and other marijuana-related public health consequences; the growth of marijuana on public lands; and marijuana possession or use on federal property.

Summary: LCB is renamed to the Liquor and Cannabis Board (LCB).

Medical use of marijuana is regulated through the structure provided in Initiative 502. Specific provisions for the medical use of marijuana are included: the terminal or debilitating medical conditions that qualify a patient for the medical use of marijuana must be severe enough to significantly interfere with activities of daily living and must be able to be objectively assessed and evaluated; and qualifying patients continue to be able to grow marijuana for their medical use. A medical marijuana authorization database (database) is created. Qualifying patients and designated providers who do not sign up with the database may grow marijuana for their medical use but are limited to four plants and 6 ounces of useable marijuana and are provided an affirmative defense to charges of violating the law on medical use of marijuana. Qualifying patients and designated providers who do sign up with the database may grow up to 15 plants for their medical use, are provided arrest protection, and may possess three times the amount of marijuana than what is permitted for the recreational user.

A medical marijuana endorsement to a marijuana retail license is established to be issued by LCB. The endorsement may be issued concurrently with the retail license and medical marijuana–endorsed stores must carry products identified by DOH as beneficial to medical marijuana patients. DOH must also adopt safe handling requirements for all marijuana products to be sold by endorsed stores and must adopt training requirements for retail employees. LCB must reopen the license period for retail stores and allow for additional licenses to be issued to address the needs of the medical market. LCB must establish a merit based system for issuing retail licenses. First priority must be given to applicants that have applied for a marijuana retailer license before July 1, 2014, and who have operated or been employed by a collective garden before November 6, 2012, and second priority to applicants who were operating or employed by a collective garden before November 6, 2012 but who have not previously applied for a marijuana license.

Beginning July 1, 2016 health care professionals who authorize the medical use of marijuana must use an authorization form developed by DOH. The authorization form must include the qualifying patient's or designated provider's name, address, and date of birth; the health care professional's name, address, and license number; the amount

of marijuana recommended for the qualifying patient; a telephone number where the authorization can be verified; the dates of issuance and expiration; and a statement that the authorization does not provide protection from arrest unless the patient or provider is also entered into the database. Authorizations are valid for one year for adults and six months for minors.

Minors may be authorized for the medical use of marijuana if the minor's parent or guardian agrees to the authorization. The parent or guardian must have sole control over the minor's marijuana. Minors may not grow marijuana, nor may they purchase from a retailer. However, they may enter the premises of a medical marijuana retailer if they are accompanied by their parent or guardian who is serving as the designated provider. Patients who are between ages 18 and 21 may enter marijuana retail outlets that hold medical marijuana endorsements.

The database is to be administered by a third party under contract with DOH. The database must allow authorizing marijuana retailers with medical marijuana endorsements to enter the qualifying patient or designated provider into the database and, consequently, provide the patient or provider with a recognition card that may be used to confirm the authenticity of the patient or provider. Patients and providers who are entered into the database are provided protection from arrest so long as they are in compliance with the law on the medical use of marijuana. Patients and providers who are entered into the database are permitted the following possession amounts: 3 ounces of useable marijuana, 48 ounces of marijuana-infused product in solid form, 216 ounces of marijuana-infused product in liquid form, 21 grams of marijuana concentrates, and 6 plants. The authorizing health care professional may authorize more than the six plants and 3 ounces of useable marijuana if the patient's medical needs require additional amounts, but no more than 8 ounces of useable marijuana and 15 plants.

No more than 15 plants may be grown in a housing unit, unless the housing unit is the location of a cooperative. No plants may be grown or processed if any portion of the activity may be viewed or smelled from the public or the private property of another housing unit.

The database is not subject to public disclosure. The database is accessible to only the following groups of people:

- the medical marijuana retailer with a medical marijuana endorsement, to add the patient or provider to the database;
- persons authorized to prescribe or dispense controlled substances to access health care information on their patients to provide medical care to their patients;
- a qualifying patient or designated provider to request or receive his or her own health care information;
- law enforcement officers who are engaged in a bona fide investigation relating to the use of marijuana;
- a marijuana retailer holding a medical marijuana endorsement to confirm the validity of a recognition card;
- the Department of Revenue to verify tax exemptions; and
- the Department of Health to monitor compliance of health care professionals.

It is a class C felony for a person to access the database for an unauthorized purpose or to disclose any information obtained by accessing the database. Funding for the creation and maintenance of the database comes from the Health Professions Account which will be reimbursed from the Dedicated Marijuana Fund.

Qualifying patients and designated providers placed in the database must be issued recognition cards. Recognition cards must include a randomly generated number that will identify the patient or provider, a photograph of the patient or provider, the amount of marijuana for which the patient has been authorized, the effective and expiration dates of the card, the name of the health care professional who authorized the patient or provider, and other security features necessary to ensure its validity. Patients and providers will be charged $1 for each initial and renewal recognition card issued with proceeds to be deposited into the Health Professions Account.

The provision authorizing collective gardens is repealed, effective July 1, 2016. Four member cooperatives are permitted. Up to four patients or designated providers may participate in a cooperative to share responsibility for the production and processing of marijuana for the medical use of its members. The location of the cooperative must be registered with LCB and is only permitted if it is at least 1 mile away from a marijuana retailer. The registration must include each member's name and copies of each member's recognition cards. Only registered members may participate in the cooperative or obtain marijuana from the cooperative. If a member leaves the cooperative, no new member may join for 60 days after LCB has been notified of the change in membership. All members of the cooperative must provide labor; monetary assistance is not permitted. Marijuana grown at a cooperative is only for the medical use of its members and may not be sold or donated to another. Minors may not participate in cooperatives. LCB must develop a seed to sale traceability system to track all marijuana grown by the cooperative.

Licensed marijuana producers may be permitted to increase the amount of their production space if the additional amount is to be used to grow plants identified as appropriate for medical use.

Extractions by any person without a license is prohibited. LCB must adopt rules on non-combustible methods of extractions that may be used.

A medical marijuana consultant certificate is established to be issued by DOH. Certificate holders must meet

education requirements relating to the medical use of marijuana and the laws and rules implementing the recreational and medical systems. DOH must also make recommendations on whether medical marijuana specialty clinics may be permitted.

LCB may conduct controlled purchase programs in retail outlets, cooperatives, and, until they expire July 1, 2016 in collective gardens to ensure minors are not accessing marijuana. Retailers may conduct in-house controlled purchase programs.

Votes on Final Passage:

Senate	36	11	
House	60	36	(House amended)
Senate	41	8	(Senate concurred)

Effective: July 25, 2015
July 1, 2016 (Sections 2, 19, 20, 23-26, 31, 35, 40, 49)
April 24, 2015 (Sections 21, 22, 32, 33)

Partial Veto Summary: The Governor vetoed the section that prohibited employers of health care providers from limiting medical marijuana recommendations to patients. The sections that removed medical marijuana from Schedule I of the Controlled Substances Act and the resulting criminal penalties relating to the newly unscheduled medical products were also vetoed. Finally, the section that would make the bill contingent on House Bill 2136 passing was vetoed.

VETO MESSAGE ON 2SSB 5052

April 24, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 36, 42, 43, 44, 45, 46, and 52, Second Substitute Senate Bill No. 5052 entitled:

"AN ACT Relating to establishing the cannabis patient protection act."

After tremendous deliberation, compromise and hard work from our outstanding bipartisan sponsors and co-sponsors, committee chairs and ranking members from both houses, we have a measure that will create a medical marijuana system that works for our state.

I am committed to ensuring a system that serves patients well and makes medicine available in a safe and accessible manner, just like we would do for any medicine. That's what this bill strives to provide. It will help families of patients in real need.

As significant an accomplishment as this bill is for our state - and for patients to be ensured of having a safe place to get medicine they need - I know some remain concerned. These perspectives are important and compelling. I recognize the solution is not perfect. However, I do think this is far better than today's wholly unregulated system.

We will have options for patients and a system of strong enforcement to ensure public safety, especially for children. It is a good thing that this bill allows immediate enforcement of dispensaries to ensure they are not selling marijuana to kids.

I want to be clear that I am committed to implementing this law effectively by ensuring cooperatives are safe for patients in need, not sources of illicit diversion in our communities. To this end, I have directed the Liquor Control Board to work with the Attorney General's Office and local law enforcement to consider all options to ensure patient and public safety.

I also want to reassure you that the Department of Health will create an authorization form that will continue to honor the doctor-patient relationship.

While this bill takes a tremendous step forward, a large volume remains of unfinished work on marijuana tax policy, enforcement, local revenue sharing and funding for public health prevention programs. I strongly support efforts to address these items - and call on legislators to finish the job and provide the tools necessary to ensure a well-regulated and functioning marijuana market in our state.

I am vetoing the following sections:

Section 36. This section prohibits employers of health care providers from limiting medical marijuana recommendations to patients. This is an employment law provision that may cause confusion and potential unintended consequences. This section was added without adequate input. The sponsors of this legislation have also requested this provision be vetoed to allow time for further discussion to develop appropriate policy.

Sections 42 and 43. These sections remove from Schedule I of our state's Controlled Substances Act any medical marijuana product. This is a laudable idea and I appreciate the intent to reduce the stigma of medical marijuana by rescheduling it from a Schedule I - an illegal - controlled substance to something more appropriate. However, our state's rescheduling system has very limited effect, and rescheduling just medicinal marijuana - not the entire cannabis plant and derivatives - may cause serious problems such as having the unintended effect of limiting the types of marijuana that are considered medicine. To that end, I have instructed the Department of Health to thoroughly consider this idea in consultation with medical professionals and stakeholders, and bring an appropriate resolution to me and the Legislature by next year. Furthermore, I will continue to advocate for the federal government to consider a national rescheduling solution, which may be most beneficial, considering the limited power that state rescheduling has in this respect.

Sections 44, 45 and 46. These sections create new felonies in our criminal code. Washington state does not need additional criminal penalties related to medical marijuana. Moreover, these sections were added as part of the same amendment that created sections 42 and 43 that would have rescheduled medical marijuana. Because I have vetoed sections 42 and 43, sections 44, 45, and 46 are also unnecessary.

Section 52. This section makes Senate Bill 5052 contingent on the enactment of some version of House Bill 2136 by October 1, 2015. This contingent effective date causes confusion and potentially conflicts with other effective dates in Senate Bill 5052. In addition, if the Legislature is unable to pass a version of House Bill 2136, the Code Reviser's Office has advised me that this provision acts as a null and void clause, in which case we risk jeopardizing the integrity of the system created in this bill. I strongly agree with the need for additional policy and administrative changes to ensure a well- regulated and functioning marijuana market. However, this bill should not be made contingent on those changes.

For these reasons I have vetoed Sections 36, 42, 43, 44, 45, 46, and 52 of Second Substitute Senate Bill No. 5052.

With the exception of Sections 36, 42, 43, 44, 45, 46, and 52, Second Substitute Senate Bill No. 5052 is approved.

Respectfully submitted,

Jay Inslee
Governor

SSB 5059
C 108 L 15

Creating the patent troll prevention act.

By Senate Committee on Law & Justice (originally sponsored by Senators Frockt, Fain, Pedersen and Chase; by request of Attorney General).

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Patent Law. Patent law is based in the U.S. Constitution and federal law. Article One, Section 8, Clause 8 of the U.S. Constitution secures for limited times to authors and inventors the exclusive right to their respective writings and discoveries. A patent is an intellectual property right granted by government to an inventor to exclude others from making, using, offering for sale, or selling the invention. Generally the term of a new patent is 20 years from the date on which the application for the patent was filed with the U.S. Patent and Trademark Office. A patent filed with the government is open to public disclosure. A patent right is effective only in the U.S. and its territories, and the right may be legally enforced in court to prevent infringement with the exclusive right. There is no legal requirement for a patented invention to actually be developed. A patent right may be sold, assigned, or licensed.

Washington State Consumer Protection Act (CPA). Washington's CPA declares unlawful "unfair competition and unfair acts or deceptive acts or practices" in the conduct of trade or commerce. A person may bring a lawsuit to recover actual damages sustained from an unfair or deceptive act. A court in its discretion may award an injured person treble damages not to exceed $25,000 including costs of the lawsuit and attorney fees. The Attorney General's Office may enforce CPA to protect consumers from fraud and unfair business practices.

Summary: The Patent Troll Prevention Act is a new chapter in Title 19 RCW. A person may not make assertions of patent infringement in bad faith. An assertion of patent infringement is when a person sends a demand threatening a target with litigation while asserting that the target infringed a patent or that the target should obtain a license in order to avoid litigation. In a lawsuit, a court may consider certain non-exclusive factors as evidence of a good or bad faith assertion. Bad faith factors include whether a demand does not contain specific information such as a patent number, the name and address of the patent owner, and facts relating to specific areas in how the target is infringing the patent, or failing to provide the preceding information upon request.

A violation is an unfair or deceptive act in trade or commerce under CPA. The Attorney General is authorized to bring an action under CPA in the name of the state, or on behalf of persons residing in the state to enforce the provisions.

An assertion of a patent infringement under federal law regarding biological products are not subject to the act.

Votes on Final Passage:

Senate	41	6
House	94	3

Effective: July 24, 2015

SB 5070
C 290 L 15

Requiring the department of corrections to supervise domestic violence offenders who have a conviction and were sentenced for a domestic violence felony offense that was plead and proven.

By Senators Pearson, Warnick, Dammeier, Kohl-Welles and Brown.

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Public Safety
House Committee on General Government & Information Technology

Background: When the Sentencing Reform Act was passed by the Legislature in 1984, it contained very limited provisions for the supervision of offenders. Over time the Legislature added back supervision in varying lengths of time and for varying offenses. In 1999 the Legislature passed the Offender Accountability Act (OAA). The OAA extended community custody to all sex offenses, all violent offenses, all crimes against persons, and all felony drug offenses. It also required the Department of Corrections (DOC) to utilize a validated risk assessment and supervise offenders according to their risk level. Since that time, the Legislature has gradually decreased the number of offenders supervised by DOC:

- In 2003 under SB 5990, the Legislature authorized DOC to supervise only those offenders in the two highest risk levels unless the offender committed a sex offense, violent offense, crime against a person, certain drug offenses, burglary, or felony domestic violence.
- In 2009 under SB 5288/6162, the Legislature authorized DOC to supervise only those offenders in the two highest risk levels unless the offender committed a sex offense or serious violent offense, received an alternative sentence, was designated as dangerously mentally ill, was a misdemeanant sex offender, or was classified as a certain domestic violent offender. Community custody term lengths were reduced to 36 months for sex or serious violent offenders, 18 months for violent offenders, and 12 months for all others.

- In 2011 under SB 5891, the Legislature eliminated supervision for offenders convicted of first-time failure to register and misdemeanant domestic violence offenders, and instituted supervision for repeat felony and misdemeanant domestic violence offenders where domestic violence was plead and proven after August 1, 2011.

Currently DOC must supervise the following offenders sentenced to community custody:

1. offenders who are classified at a high risk to reoffend; and
2. regardless of risk classification, those offenders who:
   a. are convicted of a sex offense or serious violent offense;
   b. are identified as dangerously mentally ill;
   c. have an indeterminate sentence;
   d. are convicted of a failure to register;
   e. have a current conviction for domestic violence felony offense where domestic violence was plead and proven after August 1, 2011, and a prior conviction for a repetitive domestic violent offense or domestic violence felony offense where domestic violence was plead and proven after August 1, 2011;
   f. are sentenced to a Drug Offender Sentencing Alternative, Special Sex Offender Sentencing Alternative, or First Time Offender Waiver;
   g. must be supervised under the Interstate Compact; or
   h. are certain misdemeanant sex offenders and repeat domestic violence offenders.

In 2010 the Legislature made a number of changes to the laws relating to domestic violence, including changes in the areas of law enforcement and arrest, no-contact and protection orders, firearms possession, and sentencing reforms. Notably, the legislation adjusted how prior felony and non-felony domestic violence related offenses are calculated for purposes of calculating an offender's sentence. All domestic violence offenses must be plead and proven after August 1, 2011.

Summary: DOC must supervise an offender sentenced to community custody regardless of risk classification if the offender has a conviction for a domestic violence felony offense where domestic violence was plead and proven and was committed after the effective date of the bill. Prior provisions remain in effect for offenders who committed a domestic violence felony offense prior to the effective date of the bill.

The state and its officers, agents, and employees must not be held criminally or civilly liable for its supervision of an offender unless the state and its officers, agents, and employees acted with gross negligence.

The entire act is null and void unless specific funding is provided for this act in the omnibus appropriations bill.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 24, 2015

SB 5075

C 79 L 15

Making nonsubstantive changes to procurement law.

By Senator Baumgartner; by request of Department of Enterprise Services.

Senate Committee on Government Operations & Security
House Committee on State Government

Background: In 2011 laws were enacted consolidating procurement functions of the Department of General Administration, the Department of Information Services, and the Office of Financial Management into the newly-created Department of Enterprise Services (DES). DES was tasked with implementing the reform and consolidation of state procurement practices and providing a report to the Governor with procurement reform recommendations by December 31, 2011.

Legislation reflecting these recommendations was enacted in 2012. DES oversees state procurement of goods and services. DES adopted uniform policies and procedures and provides training on best practices for state procurement.

Agencies must submit sole-source contracts to DES and make the contracts available for public inspection at least ten days before the proposed starting date of the contract. Agencies with procurement authority must develop complaint and protest processes.

DES may debar a contractor, individual, or other entity from submitting a bid, having a bid considered, or entering into a state contract for a period up to three years as a result of certain offenses or misconduct relating to contracts. Agencies must provide DES with a list of all contracts that the agency entered into or renewed on an annual basis.

Summary: Changes are made to correct statutory cross references, correct the agency name, and repeal outdated provisions of procurement law.

Votes on Final Passage:

Senate	47	0
House	96	1

Effective: July 24, 2015

SB 5079
C 6 L 15 E 1

Requiring the department of social and health services to notify the military regarding child abuse and neglect allegations of families with an active military status.

By Senators O'Ban, Conway and Dammeier.

Senate Committee on Human Services, Mental Health & Housing
House Committee on Early Learning & Human Services

Background: The Department of Defense (DOD) is required by law to coordinate with civilian child welfare agencies to obtain information regarding allegations of child abuse and neglect involving children in military families. Within DOD, the Family Advocacy Program addresses prevention of and response to child abuse and neglect involving such families. DOD policy requires military services to establish memorandum of understandings with state and local child protective services (CPS) to collaborate the oversight of child abuse and neglect cases involving military families.

It is estimated that 70 percent of active duty military families reside in the civilian community.

When CPS receives a report of an incident of alleged abuse or neglect involving a child who died or has a physical injury or injuries that are not accidental, or who was subjected to alleged sexual abuse, CPS must report the incident to the proper law enforcement agency.

Summary: CPS must make efforts to determine the military status of parents whose children are subject to abuse or neglect allegations. Upon receiving an allegation of abuse or neglect that involves military parents or guardians, CPS must notify military law enforcement. If an allegation of abuse or neglect involving military parents or guardians is screened in and open for investigation, CPS must notify the DOD Family Advocacy Program.

Votes on Final Passage:

Senate	49	0
First Special Session		
Senate	43	0
House	86	6

Effective: August 27, 2015

ESSB 5083
C 26 L 15

Enacting the sudden cardiac arrest awareness act.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, Litzow, Rolfes, McCoy, Billig, Darneille, Kohl-Welles, Frockt and Fraser).

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

Background: Sudden cardiac death is the result of an unexpected failure of proper heart function that may occur during or immediately after exercise. It is reported that cardiac arrest is the leading cause of death in youth athletes.

The Washington Interscholastic Activities Association (WIAA) is a private, nonprofit service organization and rulemaking body. WIAA consists of nearly 800 member high schools and middle or junior high schools, both public and private, and it is divided into nine geographic service districts. WIAA staff administers policies, rules, and regulations and provides other assistance and service to member schools.

The University of Washington Medicine Center for Sports Cardiology aims to advance the cardiovascular care of athletes and physically active patients of all ages. This center is a collaboration between sports medicine and cardiology specialists to establish clinical and academic resources.

Summary: The stated intent of the Legislature is to make youth athletes, their families, and coaches aware of sudden cardiac arrest.

Online Pamphlet. WIAA must work with member schools' board of directors, a nonprofit organization that educates communities about sudden cardiac arrest in youth athletes, and the University of Washington Medicine Center for Sports Cardiology to develop and make available an online pamphlet that provides youth athletes, their parents or guardians, and coaches with information about sudden cardiac arrest. The online pamphlet must include information on the nature, risk, symptoms and warning signs, prevention, and treatment of sudden cardiac arrest. The online pamphlet must be posted on the Office of Superintendent of Public Instruction's website.

On a yearly basis, prior to participating in an interscholastic athletic activity, a sudden cardiac arrest form stating that the online pamphlet was reviewed must be signed by the youth athlete and the athlete's parents or guardian and returned to the school.

Online Prevention Program for Coaches. WIAA must work with member schools' board of directors, an organization that provides educational training for safe participation in athletic activity, and the University of Washington Medicine Center for Sports Cardiology to make available an existing online sudden cardiac arrest prevention program for coaches.

Every three years prior to coaching an interscholastic athletic activity, coaches must complete the online sudden cardiac arrest prevention program. Coaches must provide a certificate showing completion of the online sudden cardiac arrest prevention program to the school.

Private Nonprofit Organizations. Private nonprofit organizations using school property must provide a statement of compliance with the policies for sudden cardiac awareness.

Votes on Final Passage:

Senate	46	0
House	79	18

Effective: July 24, 2015

ESSB 5084
C 246 L 15

Modifying the all payer claims database to improve health care quality and cost transparency by changing provisions related to definitions regarding data, reporting and pricing of products, responsibilities of the office of financial management and the lead organization, submission to the database, and parameters for release of information.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Frockt, Conway, Keiser and Mullet; by request of Governor Inslee).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: The 2014 Legislature passed E2SHB 2572 which directed the Office of Financial Management (OFM) to establish a statewide all-payer health care claims database to support transparent public reporting of health care information. OFM must select a lead organization to coordinate and manage the database. The lead organization is responsible for collecting claims data, designing data collection mechanisms, ensuring protection of the data, providing reports from the database, developing protocols and policies, developing a plan for financial sustainability and charge fees not to exceed $5,000 for reports and data files, and convening advisory committees. OFM initiated rulemaking but delayed selection of a lead organization.

Claims data includes the claims data related to health care coverage for Medicaid and the Public Employees Benefits Board program, and other voluntarily provided data that may be provided by insurance carriers and self-funded employers. The claims data provided to the database, the database itself, and any raw data received from the database are not public records and are exempt from public disclosure.

Extensive stakeholder discussions were held over the 2014 interim to identify modifications for submission of claims data, protection of proprietary financial data, and additional parameters for the release of data and reports.

Summary: OFM must initiate a competitive procurement process to select a lead organization to coordinate and manage the all-payer claims database. The proposal must include criteria to be applied in the scoring evaluation that include extra points for the following items: the degree of experience in health care data collection, analysis, analytics, and security; a long-term self-sustainable financial model; experience in convening and engaging stakeholders to develop reports; experience meeting budget and timelines for report generations; and the ability to combine cost and quality data. The successful lead organization must apply to be certified as a qualified entity by the Centers for Medicare and Medicaid Services by December 31, 2017.

As part of the procurement process, the lead organization must demonstrate they have a contract with a data vendor to perform data collection, processing, aggregation, extracts, and analytics. The data vendor must establish a secure data submission process, review data files, ensure quality of data files, assign unique identifiers to individuals represented in the database, demonstrate internal controls and state of the art encryption methods, store data on a secure server, and ensure state of the art security for transferring data. The lead organization and data vendor must provide a detailed description of the security methods to the Office of the Chief Information Officer housed within OFM.

The following data suppliers must provide claims data: the Medicaid program, the Public Employees Benefits Board program, all health insurance carriers operating in this state, all third-party administrators paying claims on behalf of health plans in this state, and the state Labor and Industries program. The Director of OFM may expand this requirement to include other types of insurance policies, such as Long-Term Care policies and Medicare supplemental coverage. Employer-sponsored self-funded health plans and Taft-Hartley trusts may voluntarily provide claims data.

The lead organization must develop a plan for the financial sustainability of the database as self-sustaining. The $5,000 cap on the fees the lead organization may charge for reports and data files is removed. Any fees must be approved by OFM and should be comparable, accounting for relevant differences across data requests and uses. Fees must not be charged to providers or data suppliers other than the fees directly related to requested reports.

The advisory committees the lead organization must convene are modified to include in-state representation from key provider organizations, hospitals, public health, health maintenance organizations, large and small private purchasers, consumer organizations, and the two largest carriers supplying claims data.

Requests for claims data must include the following: the identity of any entities that will analyze the data; the stated purpose of the request; a description of the proposed methodology; the specific variable requested; how the requester will ensure all data is handled to ensure privacy and confidentiality protection; the method for storing, destroying, or returning the data to the lead organization; and protections that will ensure the data is not used for any purposes not authorized by the approved application. Any entity that receives claims or other data must maintain confidentiality and may only release data if it does not contain proprietary financial information or direct or indi-

rect patient identifiers, and the release is described and approved as part of the request.

The lead organization, in conjunction with OFM and the data vendor, must create a process to govern levels of access to the data:

- Claims data that include proprietary financial information, direct patient identifiers, indirect patient identifiers, unique identifiers, or any combination, may be released only to researchers with a signed data use and confidentiality agreement. Access to this level of data is removed for federal, state and local government agencies, and for the lead organization.
- Claims data that do not contain direct patient identifiers, but may contain proprietary financial information, indirect patient identifiers, unique identifiers, or any combination, may be released to agencies, researchers, the lead organization, and other entities with a signed data use agreement, however agencies may not use the data for procurement of health benefits for their employees.
- Claims data that do not contain proprietary financial information or direct patient identifiers may be released upon receipt of a signed data use agreement.

Reports may not contain proprietary financial information, or direct or indirect patient identifiers; however, the use of geographic areas with sufficient population size or aggregate gender, age, medical condition, or other characteristics may be used for reports as long as they cannot lead to the identification of an individual. Reports issued by the lead organization may utilize proprietary financial information to calculate aggregate cost data. OFM must develop in rule a format for the calculation and display of aggregate cost data. In developing the rule, OFM must solicit feedback from stakeholders and must consider data presented as proportions, ranges, averages, and medians, as well as the differences in types of data.

Recipients of data must protect data containing direct and indirect identifiers, proprietary financial information, or any combination thereof; must not re-disclose the data; attempt to determine the identify of any person whose information is included in the data set; consent to penalties associated with the inappropriate disclosures or uses of the data; and destroy or return the data at the conclusion of the data use agreement.

By October 31 of each year, the lead organization must submit a list to OFM of reports they anticipate producing during the following calendar year. OFM may establish a public comment period not to exceed 30 days and must submit the list and any comments to the appropriate committees of the Legislature for review. The lead organization may not publish any report that directly or indirectly identifies individual patients; disclose a carrier's proprietary financial information, or compare performance that includes any provider with fewer than four providers, rather than five. The lead organization may not release a report that compares providers, hospitals, or data suppliers unless it allows verification of the data and comment on the reasonableness of conclusions reached. The requirement to limit reports where one data supplier comprises more than 25 percent of the claims data is removed. The lead organization must distinguish in advance when it is operating as the lead organization and when it is operating in its capacity as a private entity. The claims data that contain direct patient identifiers or proprietary financial information must remain exclusively in the custody of the data vendor and may not be accessed by the lead organization.

OFM must adopt rules, including procedures for establishing appropriate fees, procedures for data release, and penalties associated with the inappropriate disclosures or uses of direct patient identifiers, indirect patient identifiers, and proprietary financial information.

By December 1, 2016 and 2017, OFM must report to the Legislature on the development of the database including, but not limited to, budget and cost detail, technical progress, and work plan metrics. Two years after the first report is issued, OFM must report to the Legislature every two years regarding the cost, performance, and effectiveness of the database, and the performance of the lead organization. Using independent economic expertise, subject to appropriation, the report must evaluate whether the database advanced the goals established for the database, as well as the performance of the lead organization. The report must make recommendations on how the database can be improved, whether the contract for the lead organization should be modified, renewed, or terminated, and the impact the database had on competition between and among providers, purchasers, and payers.

The act contains a severability clause in the event any portion of the act is determined to be invalid.

Votes on Final Passage:

Senate	44	5	
House	82	15	(House amended)
Senate	41	6	(Senate concurred)

Effective: July 24, 2015

SB 5085

C 208 L 15

Concerning applicants for and exemptions for certain recipients of gold star license plates.

By Senators Rolfes, Dammeier, Conway, Benton, Chase, Billig, Ranker, Hobbs, Fraser, McAuliffe and Pearson.

Senate Committee on Transportation
House Committee on Transportation

Background: The Department of Licensing issues various special vehicle license plates that may be used in lieu

of standard plates. Generally, special license plates that are sponsored by a governmental or nonprofit organization have an additional fee that is due annually, with the proceeds benefiting a specific organization or purpose. Other special license plates are available to individuals that meet certain requirements. One such special plate is the Gold Star license plate, which may be issued to the mother, father, widow or widower, a biological or adopted child, an adoptive parent, a stepparent, and a foster parent or other adult that is legally responsible for a member of the armed forces who died while in service and as a result of that service. Gold Star license plates are issued without payment of any license plate fees and are replaced free of charge if the plate is lost, stolen, damaged, defaced, or destroyed.

Summary: The list of individuals who are eligible to receive a Gold Star license plate is expanded to include a sibling of a member of the armed forces who died while in service and as a result of that service.

Widows or widowers with Gold Star license plates are exempt from all taxes and fees that are due annually at vehicle registration for one personal-use motor vehicle.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 24, 2015

SB 5088
C 12 L 15

Concerning a geological hazards assessment.

By Senators Pearson, Hargrove, Honeyford, Parlette, Keiser, Liias, Hobbs, Hatfield, Kohl-Welles, Frockt, Dammeier, Rolfes, Hewitt, Dansel, Fraser, Chase and Conway; by request of Commissioner of Public Lands.

Senate Committee on Natural Resources & Parks
House Committee on Agriculture & Natural Resources

Background: The Department of Natural Resources (DNR) maintains a state geological survey that includes examination of economic products, soils, water resources, and road building materials; and preparation of geological and economic maps. The geological survey must assess and map volcanic, seismic, landslide, and tsunami hazards in Washington.

Light detection and ranging (lidar) mapping is a remote sensing method that uses light in the form of a pulsed laser to measure ranges – variable distances – to the earth. A lidar instrument principally consists of a laser, a scanner, and a specialized GPS receiver. Airplanes and helicopters are the most commonly used platforms for acquiring lidar data over broad areas. Two types of lidar are topographic – land, and bathymetric – seafloor or riverbed. Lidar systems allow scientists and mapping professionals to examine both natural and manmade environments with accuracy.

The survey and map account holds funds DNR may use for the state base mapping system and land boundary maps.

Summary: With respect to the geological survey, DNR must apply the best practicable technology, including lidar, to identify and map geological hazards and to estimate potential hazard consequences and occurrence probabilities. DNR must coordinate with state and local government agencies to compile existing data, including hazard maps and geotechnical reports, and use the best practicable technology to acquire and process new data or update deficient data. DNR must create and maintain a publicly available database of the maps and data it collects.

Activities DNR performs for the state geological survey are added as an allowable purpose for funds in the surveys and maps account.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

SB 5100
C 189 L 15

Concerning the processing of certain motor vehicle-related violations applicable to rental cars.

By Senators Hobbs and King.

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, local jurisdictions and the Washington State Department of Transportation (WSDOT) may report the following violations to the Department of Licensing (DOL) for purposes of withholding vehicle registration renewals applicable to the vehicle at issue:

- two or more unpaid parking violations;
- two or more unpaid automated traffic safety camera violations;
- two or more unpaid automated school bus safety camera violations; and
- one or more unpaid civil penalties for toll violations.

However, these reporting provisions do not apply if the vehicle at issue is a rented or leased vehicle.

Rental car businesses are relieved of liability for the violations by forwarding the renter's name and address to the jurisdiction or WSDOT in a timely manner.

Local courts may refer unpaid monetary obligations attached to parking or camera violations to a collections agency, which include violations involving a rented or leased vehicle. This provision applies to whomever is ul-

timately liable for the violation – the rental car business or the renter.

Summary: The exception for rented or leased vehicles from the DOL reporting process for unpaid parking, camera, and toll violations is removed. This has the effect of allowing local jurisdictions and WSDOT to report unpaid parking, camera, or toll violations, for which rental car businesses are liable, to DOL for purposes of withholding vehicle registration renewals applicable to the vehicle at issue.

Consistent with language found in the automated camera statutes, language is added clarifying that if a rental car business forwards the renter's name and address to the jurisdiction, liability for an unpaid parking infraction transfers to the renter.

Votes on Final Passage:

Senate	47	2	
House	95	2	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

SB 5101
C 80 L 15

Modifying mental status evaluation provisions.

By Senators Padden and O'Ban.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: If a court finds that reasonable grounds exist to believe that an offender is a person with a mental illness and that this condition is likely to have influenced the offense, the court may order an offender whose sentence includes community placement or community supervision to undergo a mental status evaluation and to participate in available outpatient mental health treatment. The order must be based on a presentence report and any mental status evaluations that may have been filed with the court to determine the offender's competency or eligibility for a defense of insanity.

In *State v. Robert Locke* (2013), the trial court sentenced Locke to 12 months' confinement and ordered a mental health evaluation and treatment as a sentencing condition without first obtaining the required presentence report. The state conceded the error and the case was remanded to the trial court to vacate the sentence condition.

Summary: The order for mental status evaluation and treatment may, but is not required to, be based on the presentence report.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 24, 2015

SB 5104
C 81 L 15

Concerning the possession or use of alcohol and controlled substances in sentencing provisions.

By Senator Padden.

Senate Committee on Law & Justice
House Committee on Public Safety

Background: As part of any felony sentence, the court may impose crime-related prohibitions. When the court finds that the offender has a chemical dependency issue that contributed to the person's offense, the court may, as a condition of the sentence, order the offender to participate in rehabilitative programs or perform affirmative conduct reasonably related to the circumstances of the crime.

In *State v. Warnock* (2013), there was ample evidence of the offender's alcohol intoxication during the offense, but there was no evidence and no court finding regarding the abuse of any other substance. The trial court ordered a chemical dependency evaluation and treatment. The Court of Appeals remanded the case to the trial court to impose only an alcohol evaluation and treatment.

Summary: Crime-related prohibitions are defined to include prohibition on the use or possession of alcohol, cannabis, or controlled substances if the court finds that any chemical or substance abuse contributed to the offense. If a court finds that any chemical dependency contributed to the offense, the court may order participation in rehabilitative programs for alcohol, cannabis, or controlled substances as a condition of the sentence regardless of the particular substance that contributed to the offense. The court may impose a prohibition on the use or possession of alcohol, cannabis products, or controlled substances regardless of whether a chemical dependency evaluation is ordered.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

SB 5107
C 291 L 15

Encouraging the establishment of therapeutic courts.

By Senators Padden, Pedersen, Roach, O'Ban, Darneille and Benton.

Senate Committee on Law & Justice
House Committee on Judiciary
House Committee on Appropriations

Background: Many courts in Washington have specially designed court calendars or dockets that provide an alternative to traditional court processes in particular kinds of cases. Often called problem-solving courts or therapeutic

courts, these alternative courts commonly require intense, judicially supervised treatment with the goal of reducing recidivism. Participation in an alternative court program is voluntary and only open to specific defendants or respondents who fit qualifying criteria. There is typically an advantageous result for completion of the program, such as dismissal of the underlying charges.

Although there are a wide variety of therapeutic courts in operation throughout the state, the requirements for certain courts are outlined in statute, including drug courts, driving under the influence (DUI) courts, mental health courts, and juvenile gang courts. The statutes describing these courts contain similar minimum requirements for participation.

While there is some variation, a defendant is generally ineligible to participate in a therapeutic court if the defendant is currently charged with or convicted of a sex offense, serious violent offense, an offense involving a firearm, or a crime during which the defendant caused a person's death or inflicted great bodily injury. In addition, the statutes contain common funding language, requiring that any jurisdiction seeking state funding for therapeutic court must first exhaust available federal funding and match allocated state monies with local cash or in-kind resources.

In 2013 the Legislature encouraged the establishment of effective specialty and therapeutic courts and recommended guidelines for operating such courts. That legislation also included a requirement that any jurisdiction establishing a specialty or therapeutic court endeavor to incorporate certain treatment court principles and best practices as recognized by state and national treatment court agencies and organizations in structuring a particular program. Additionally, the Superior Court Judges' Association and the District and Municipal Court Judges' Association were encouraged to invite other appropriate organizations and convene a workgroup to examine and make recommendations regarding the structure of all specialty and therapeutic courts in Washington. The two associations created the workgroup and issued a report including recommended legislation.

Summary: Current statutes regarding therapeutic courts are repealed, including the sections governing drug courts, DUI courts, mental health courts, and juvenile gang courts, among others. Most of the provisions of the repealed sections are consolidated and reincorporated into a new chapter. Miscellaneous other sections of repealed statutes are reincorporated into different sections of the RCW.

The Legislature recognizes the inherent authority of the judicial branch to establish therapeutic courts and the utility of such courts, and cites specific examples of different types of therapeutic court programs. Therapeutic court and specialty court are both defined as a court utilizing programming structured to reduce recidivism or other adverse outcomes, and increase rehabilitation through the use of continuous and intense judicially supervised treatment and the appropriate use of services, sanctions, and incentives.

Every trial and juvenile court is authorized and encouraged to establish and operate therapeutic courts. Jurisdictions establishing therapeutic courts must endeavor to incorporate a list of best practices largely mirroring those appearing in current law. Promising practices, emerging best practices, and research-based practices, as defined in the act, are authorized where determined by the court to be appropriate. Restrictions are placed on the ability of therapeutic courts to enforce or apply foreign law. Currently operating therapeutic courts continue to be authorized.

In criminal cases, the consent of the prosecutor is required. Therapeutic courts retain the discretion to establish processes for eligibility and admission, and therapeutic court judges retain the discretion to decline to accept a particular case into the court. Except under special findings by the court, defendants are ineligible for participation in a therapeutic court if they are:

- charged with or have been previously convicted of a serious violent offense or sex offense;
- charged with an offense involving actual, threatened, or attempted discharge of a firearm in furtherance of the offense;
- charged with or have been previously convicted of vehicular homicide; or
- charged with or have been previously convicted of an offense alleging substantial bodily harm, great bodily harm, or death of another person.

Jurisdictions may seek federal funding and must match appropriated state funds with local cash or in-kind resources. Counties that impose a sales and use tax for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services to establish and operate a therapeutic court for dependency proceedings must do so. Monies allocated by the state may be used to supplement, not to supplant other federal, state, or local funds for therapeutic courts. Until June 30, 2016, no match is required for state monies expended for administrative and overhead costs.

Any jurisdiction that has established more than one therapeutic court may combine the functions of those courts into a single therapeutic court. Individual trial courts are authorized and encouraged to establish multi-jurisdictional partnerships, inter-local agreements, or both, to enhance or expand the coverage area of a therapeutic court.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015
July 1, 2018 (Section 9)

SB 5119
C 109 L 15

Providing authority for two or more nonprofit corporations to participate in a joint self-insurance program covering property or liability risks.

By Senators Angel and Mullet.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services
House Committee on General Government & Information Technology

Background: Local government entities have the authority to individually or jointly self-insure against risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. In addition, subject to specified conditions, local government entities may enter into joint self-insurance programs with similar entities from other states.

In 2004 the Legislature authorized nonprofit corporations to form self-insurance risk pools with other nonprofit corporations or local government entities for property or liability risks. Nonprofit corporations that form self-insurance risk pools are subject to the same restrictions and regulations as are local government entities that form self-insurance risk pools, except that nonprofit corporations are not authorized to enter into joint self-insurance programs with nonprofit corporations from other states.

The Risk Manager within the Department of Enterprise Services is responsible for the regulation of these self-insurance activities and may adopt rules governing their operations.

Summary: The authority for nonprofit corporations to join a self-insurance program with other nonprofit corporations is removed from chapter 48.62 RCW and placed in its own chapter to clarify that nonprofit corporations and local governments are separate and cannot commingle for the purposes of creating insurance risk pools.

Nonprofit corporations are authorized to enter into joint self-insurance programs with similar entities from other states, subject to specified conditions.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

SB 5120
C 82 L 15

Concerning school district dissolutions.

By Senator Parlette.

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

Background: Educational Service Districts (ESDs) are regional agencies that provide services to school districts and assist the Office of Superintendent of Public Instruction and State Board of Education. There are nine ESDs. Each ESD has a regional committee on school district organization composed of registered voters in the ESD. There is a statutory public process that the regional committee must follow to transfer school district territory from one district to another, consolidate one or more school districts with one or more school districts, or dissolve a school district and annex the territory to another district or districts.

If a school district's enrollment drops below five students in kindergarten through eighth grade in the prior school year, the ESD must report this information to the regional committee which must then dissolve the school district. The school district is then annexed into another school district or districts.

Summary: The criteria for the dissolution of a school district based on student enrollment is changed to require three consecutive years of an average enrollment of fewer than five students in kindergarten through eighth grade.

Votes on Final Passage:

Senate	43	4
House	89	8

Effective: September 1, 2015

SB 5121
C 71 L 15

Establishing a marijuana research license.

By Senators Kohl-Welles, Rivers, Bailey, Pedersen, Liias, McAuliffe, Frockt, Chase, Keiser and Hatfield.

Senate Committee on Health Care
House Committee on Health Care & Wellness
House Committee on Commerce & Gaming
House Committee on Appropriations

Background: In 2012 voters approved Initiative 502 which established a regulatory system for the production, processing, and distribution of limited amounts of marijuana for non-medical purposes. Under this system, the Liquor Control Board (LCB) issues licenses to marijuana producers, processors, and retailers and adopts standards for the regulation of these operations.

A marijuana producer license permits a licensee to produce, harvest, trim, dry, cure, and package marijuana

into lots for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. A marijuana producer can also produce and sell marijuana plants, seed, and plant tissue culture to other marijuana producer licensees. A marijuana processor license allows the licensee to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers. A marijuana retailer license allows the licensee to sell only usable marijuana, marijuana-infused products, and marijuana paraphernalia at retail in retail outlets to persons 21 years of age and older. None of these licenses permit a person to grow marijuana for research purposes.

The Controlled Substances Therapeutic Research Act was adopted by the Legislature in 1979. It established a Controlled Substances Therapeutic Research Program (Program) to be administered by the Pharmacy Quality Assurance Commission. The Program was limited to cancer chemotherapy and radiology patients and glaucoma patients who are certified by a patient qualification review committee as being involved in a life-threatening or sense-threatening situation. The Program does not grow marijuana for its use. It is permitted to use marijuana that has been confiscated by local or state law enforcement agencies.

In 2011 the Legislature authorized both the University of Washington (UW) and Washington State University (WSU) to conduct scientific research on the efficacy and safety of administering marijuana as part of medical treatment. As part of this research, UW and WSU were authorized to develop and conduct studies to ascertain the general medical safety and efficacy of marijuana and permitted to develop medical guidelines for the appropriate administration and use of marijuana. No provision was made for either university to grow marijuana or to otherwise obtain marijuana.

The Life Sciences Discovery Fund (LSDF) was established in 2005 to foster growth of the state's life sciences sector and improve the health and economic wellbeing of the State's residents. LSDF invests monies from the Master Tobacco Settlement Agreement in research and development across Washington that demonstrate the strongest potential for delivering health and economic returns to the state.

Summary: A marijuana research license is established to permit a licensee to produce and possess marijuana to test chemical potency and composition levels; conduct clinical investigations of marijuana-derived drug products; conduct research on the efficacy and safety of administering marijuana as part of a medical treatment; and conduct genomic or agricultural research.

Marijuana research license applicants must submit to LSDF a description of the research it intends to conduct. LSDF must review the project and determine if it meets one of the permitted research purposes. The application is rejected if LSDF does not find that the project is for a permitted research purpose.

A licensee may only sell marijuana it produces to other marijuana research licensees. The licensee may contract with UW or WSU to perform research in conjunction with the university.

The application fee for a marijuana research license is $250. The annual fee for issuance and renewal of the license is $1,000. Fifty percent of the application fee and renewal fees must be deposited to the LSDF.

Votes on Final Passage:

Senate	45	3
House	95	0

Effective: July 24, 2015

SB 5122

C 83 L 15

Concerning precollege placement measures.

By Senators Kohl-Welles, Frockt, Liias, Bailey and McAuliffe.

Senate Committee on Higher Education
House Committee on Higher Education

Background: In 2013, under SB 5712, the Legislature directed the State Board for Community and Technical Colleges (SBCTC) to encourage colleges to use multiple measures to determine whether a student must enroll in a precollege course. Additionally the SBCTC must require colleges to post information about available options for course placement on their website and in admissions materials.

In September 2014, the six public baccalaureate institutions and SBCTC agreed to use the eleventh grade Smarter Balanced Assessment scores of level three or four to enroll first-year college students who have been admitted into entry-level college math and English courses without further placement testing. The agreement applies to high school graduating classes of 2016 through 2018, and then will be renewed or modified. Colleges, universities, and high schools are also designing math and English language arts transition courses for high school seniors who did not score at a level three or above. Several high schools are already piloting the curriculum. Seniors who earn a B or above in the classes will also be able to bypass placement testing at many colleges.

Under current law, the Washington Student Achievement Council (WSAC) must collaborate with appropriate state agencies and stakeholders to improve student transitions and success, which includes but is not limited to, setting minimum college admissions standards.

Summary: The public baccalaureate institutions may use multiple measures to determine whether a student must enroll in a precollege course including, but not limited to, placement tests, the SAT, high school transcripts, college

transcripts, or initial class performance. These institutions must post information about available options for course placement on their websites and in admissions materials.

WSAC must encourage the use of multiple measures to determine precollege placement when setting minimum college admissions standards.

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: July 24, 2015

SB 5125

C 260 L 15

Increasing district court civil jurisdiction.

By Senators Padden, Darneille, Roach and Hatfield.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: The Legislature limits the district court's jurisdiction based on the case's value, or the amount at issue, in specific civil cases. The Legislature adjusts the case value limit periodically as the economy changes. In 2008, the most recent change, the Legislature raised the civil case jurisdiction from $50,000 per case to $75,000 per case exclusive of interest, costs, and attorneys' fees.

Summary: The value of a civil claim or the amount at issue in the case, must not exceed $100,000 exclusive of interest, costs, and attorneys' fees to meet the district court's amount in controversy jurisdiction limit. The $100,000 jurisdictional limit applies to each claimant.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 24, 2015

SB 5139

C 226 L 15

Concerning building code standards for certain buildings four or more stories high.

By Senators Roach, Liias, Conway, Benton, McCoy, Dansel and Ericksen.

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

Background: The State Building Code Council (Council) was created in 1974 to provide analysis and advice to the Legislature and the Office of the Governor on State Building Code (Code) issues. The Council establishes the minimum building, mechanical, fire, plumbing, and energy code requirements in Washington by reviewing, developing, and adopting the Code.

The Code sets requirements through building codes to promote the health, safety, and welfare of the occupants or users of buildings and structures throughout the state. The Code consists of regulations adopted by reference from the International Building Code, the International Residential Code, the International Mechanical Code, the National Fuel Gas Code, the International Fire Code, and the Uniform Plumbing Code and Uniform Plumbing Code Standards. When the Code was adopted in 1974, certain buildings four or more stories high were exempt from the Code.

Summary: The exemption from the Code for certain buildings four or more stories high is deleted.

Votes on Final Passage:

Senate	49	0
House	53	45

Effective: July 24, 2015

SB 5144

C 21 L 15

Requiring all meetings of the Robert Bree collaborative to be subject to the open public meetings act.

By Senators Dammeier, Becker, Bailey, Rivers, Brown, Parlette and O'Ban.

Senate Committee on Health Care
House Committee on State Government

Background: Bree Collaborative. The Dr. Robert Bree Collaborative (Collaborative) was established in 2011 by the Washington State Legislature to provide a mechanism through which public and private health care stakeholders can work together to improve quality, health outcomes, and cost effectiveness of care in this state. The Collaborative must annually identify up to three health care services for which there are substantial variations in practice patterns or high utilization trends in Washington. Upon the identification of these health care services, the Collaborative must identify evidence-based best practices to improve the quality and reduce variation in the use of service. The Collaborative must also identify strategies to increase the use of the evidence-based practices.

The Collaborative must report to the Administrator of the Health Care Authority (Administrator) on the selected health services and the proposed strategies. If endorsed by the Administrator, all state-purchased health care programs, including health carriers and third party administrators that contract with state programs, must implement the evidence-based guidelines and strategies.

To acquire expertise in the particular health care service areas under review, the Collaborative must add members or establish clinical committees. Proceedings of the Collaborative must be open to the public and notice of meetings must be provided at least 20 days in advance.

Open Public Meetings Act. Under the Open Public Meetings Act, all meetings of the governing body of a public agency must be open to the public. The governing body may not adopt any rule, order, or directive unless it is adopted in a meeting that is open to the public. The agency must file with the Code Reviser notice of regular meetings including a schedule of the time and place of such meetings on or before January of each year for publication in the Washington State register. The agenda must be published 24 hours in advance. Special meetings may be called with 24-hour notice provided through the media, the agency's website, and at the main entrance of the agency's principal location. Members of the agency who attend a meeting where action is taken in violation of the Open Public Meetings Act are subject to a civil penalty of $100.

Summary: Meetings of the Collaborative, including subcommittees, are subject to the Open Public Meetings Act.

Votes on Final Passage:

Senate	45	4
House	97	0

Effective: July 24, 2015

SSB 5147

C 209 L 15

Establishing a medicaid baseline health assessment and monitoring the medicaid population's health.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Bailey, Brown and Rivers).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: The Legislature has passed a number of bills related to performance measures for Medicaid coverage:

- The 2013 legislative budget included a requirement that the Health Care Authority (HCA) contracts with managed care organizations must incorporate accountability measures that monitor patient health and improved health outcomes, with an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.
- The 2013 Legislature also passed ESHB 1519 requiring outcomes and performance measures for the array of Medicaid programs contracted by HCA and the Department of Social and Health Services, which include medical, behavioral health services, chemical dependency services, and long-term care services and supports. The agencies are required to include common measures in contracts by July 1, 2015.
- The 2014 Legislature passed E2SHB 2572 to improve health care purchasing and transform the health care delivery system. The bill created a Performance Measure Coordinating Committee to recommend standard statewide measures of health performance by January 1, 2015, that can be used to inform public and private health care purchasers.

The Performance Measure Coordinating Committee provided recommendations to the HCA in December that include measures for prevention, chronic illness, and acute care. There are 52 different measures categorized by population measures; clinical measures for children, adolescents, and adults by health plans, primary care medical groups, and hospitals; and measures related to health care costs.

Summary: The HCA and DSHS contracts with service coordination organizations must include the outcomes and performance measures developed by the Performance Measure Coordinating Committee, and each contract must require an initial health screen be conducted for new enrollees, consistent with the terms and conditions of the contract to implement the health screen required by the 2013-15 legislative budget.

By December 1, 2016, and annually thereafter, HCA and the DSHS must report to the Legislature on the performance measures. The report must also include the following:

- the number of Medicaid clients enrolled over the previous year;
- the number of enrollees who received a baseline health status measurement over the previous year;
- an analysis of trends in health improvement for Medicaid enrollees; and
- recommendations for improving the health of Medicaid enrollees.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 24, 2015

SSB 5154

C 261 L 15

Concerning registered sex or kidnapping offenders.

By Senate Committee on Ways & Means (originally sponsored by Senator Hargrove).

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Public Safety

Background: Any adult or juvenile offender residing in the state who has been convicted of a sex offense must register with the county sheriff upon release from confinement. The offender must provide complete information to the county sheriff including the offender's address, aliases

used, place of employment, social security number, photograph, and fingerprints. Beginning in 2008, all registered offenders also must provide a DNA sample. This requirement is not part of the registration requirements and therefore the failure to provide a DNA sample is not a failure to register.

The End of Sentence Review Committee (ESRC), chaired by the Department of Corrections, classifies sex offenders being released from Washington correctional institutions according to their risk of reoffense within the community. ESRC classifies each offender as a level I – low risk, level II – moderate risk, or level III – high risk, and then forwards this classification to the county sheriff in the jurisdiction where the offender will reside. The sheriff may adopt ESRC's risk level or establish a different level. If ESRC has not had the opportunity to classify a sex offender, such as when the offender has moved to Washington State from another state, the sheriff's office will perform its own classification of the offender's risk. The risk level classification dictates the level of notice to the public and the amount of information the sheriff may release about the offender.

The Washington Association of Sheriffs and Police Chiefs (WASPC) operates an electronic statewide unified sex offender notification and registration program which contains a database of all registered sex offenders in the state of Washington. WASPC creates and maintains a public website that posts all level II and level III sex offenders. Law enforcement may also disclose information about offenders classified as level I upon the request of any victim or witness to the offense or any community member who lives near the offender. For level III sex offenders, law enforcement must additionally publish notice in at least one newspaper in the area of the sex offender's registered address.

An adult sex offender may petition the superior court to be relieved of the duty to register when the person has spent ten consecutive years in the community without being convicted of a disqualifying offense during that time period. If the person is required to register for a federal or out-of-state conviction, the person may petition after 15 consecutive years in the community without a disqualifying offense. A person may not petition for relief from registration if the person has been determined to be a sexually violent predator or convicted as an adult of a sex offense that is a class A felony that was committed with forcible compulsion.

In 1994 Congress passed the Jacob Wetterling Act. That act required states to institute lifetime registration requirements for offenders convicted of specified sex offenses or face financial penalties to the federal Byrne Grant. In 2001 the Legislature passed the Jacob Wetterling provisions requiring lifetime registration for further classes of offenders. Those provisions expired on July 1, 2012.

Summary: In assigning risk levels, an offender must be classified as:

- level I – if the person's risk assessment and other relevant factors indicate that the person is at a low risk to sexually reoffend within the community at large;
- level II – if the person's risk assessment and other relevant factors indicate that the person is at a moderate risk to sexually reoffend within the community at large; or
- level III – if the person's risk assessment and other relevant factors indicate that the person is at a high risk to sexually reoffend within the community at large.

A person required to register as a sex offender who intends to travel outside the United States must notify the county sheriff where the person is registered at least 21 days prior to travel. The notice must include identifying information and details regarding the person's travel. The county sheriff must notify the United States Marshals Service as soon as practicable after receipt of the notification. Offenders who travel outside the United States due to a work or family emergency, or who travel routinely outside of the United States for work, must submit written notice in person at least 24 hours in advance of travel instead of the 21 days, as is required for all other registered offenders. If a registered offender plans to travel outside the United States and the plans to travel are cancelled or postponed, the offender must notify the sheriff no later than three days after the cancellation or postponement, or on the scheduled departure date, whichever is earlier. Temporary residents visiting from another state or country who will be in the state longer than ten days must register their temporary addresses with the county sheriff within three days of arrival.

The crime of refusal to provide DNA is established. A person is guilty of the refusal to provide DNA if the person has a duty to register and refuses to comply with a request for a DNA sample as required by law. The refusal to provide DNA is a gross misdemeanor.

The Office of Superintendent of Public Instruction must publish on its website educational materials developed in conjunction with partner agencies for parents and other interested family members in recognizing characteristics of sex offenders and preventing victimization.

Upon receipt of a public records request for sex and kidnapping offender information, the Washington Association of Sheriffs and Police Chiefs (WASPC) must refer the requestor, in writing, to the appropriate law enforcement agency or agencies for submission of the request. WASPC has no further obligation to respond to such public records requests.

A number of other changes are made that close various loopholes or provide clarification with regard to sex offender registration and notification including the following:

- a tribal conviction for an offense for which the person would be required to register as a sex offender while residing in the reservation of conviction is defined as a sex offense requiring registration under Washington law;
- law enforcement may disclose information about offenders classified as level I upon the request of any person seeking information regarding a specifically named offender;
- when a sex offender moves to another county, the offender must register within three business days of moving with the county sheriff of the county into which the offender has moved and must provide signed written notice of the change of address to the county sheriff with whom the offender last registered. The sheriff with whom the offender last registered is responsible for verification of the offender until the offender registers in the new county;
- when an offender is classified as a level III, law enforcement must issue a new release, but is not required to actively publish notice in the newspaper;
- law enforcement agencies may develop a process to allow an offender to petition for review of the offender's assigned risk level classification;
- law enforcement may remove a sex offender from the registry if an administrative authority in the person's state of conviction has made an individualized determination that the person is not required to register;
- the court's decision to relieve a sex offender of the duty to register does not constitute a certificate of rehabilitation for the purposes of restoring a person's right to possess a firearm;
- a person may not petition for relief from registration if the person has been determined to be a sexually violent predator;
- when a person who is required to register is placed on partial confinement in the community, the person must register with the county sheriff while on partial confinement;
- a person convicted in another state as a juvenile may petition for relief from registration in the county in which the person resides; and
- expired provisions that were passed in order to comply with the federal Jacob Wetterling Act are removed.

The Sex Offender Policy Board must review and make findings and recommendations regarding the following four issues:

- disclosure to the public of information compiled and submitted for the purposes of sex offender and kidnapping offender registries that is currently held by public agencies, including the relationship between current laws on public disclosure;
- any other best practices adopted by or under consideration in other states regarding public disclosure of information compiled and submitted for the purposes of sex offender and kidnapping offender registries;
- ability of registered sex offenders and kidnapping offenders to petition for review of their assigned risk level classification and whether such a review process should be conducted according to a uniform statewide standard; and
- the guidelines established by a sex offender policy workgroup addressing sex offender community notification, including whether and how public access to the guidelines can be improved.

The Sex Offender Policy Board must report its findings and recommendations to the Governor and to the appropriate committees of the Legislature on or before December 1, 2015.

Votes on Final Passage:

Senate	48	1	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SSB 5156

C 110 L 15

Concerning the disclosure of information regarding elevators and other conveyances in certain real estate transactions.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Keiser, Warnick and Conway).

Senate Committee on Commerce & Labor
House Committee on Business & Financial Services

Background: Disclosure Statement Required in Real Estate Transfers. Generally, a real estate seller must deliver a real property transfer disclosure statement to the buyer no later than five business days after mutual acceptance of a written purchase agreement, unless an exception applies or the buyer waives the right to receive the disclosure statement. Within three business days of receipt of the disclosure statement, the buyer may approve and accept the disclosure statement or rescind the purchase agreement.

Disclosure Statement Questions. The disclosure statements are provided in statute for commercial, and unimproved and improved residential real property. Improved residential real property generally includes real property with one to four residential dwelling units, a condominium, a timeshare, or a mobile or manufactured home. The disclosure statement provides a number of specific questions requiring the seller to respond by checking yes, no, or don't know, and to provide some explanations. Al-

though a general question asks whether there are any other existing material defects affecting the property, there are no specific questions about elevators or other types of elevating devices, such as stairway chair lifts, or wheelchair lifts.

Elevator Regulation. The Department of Labor and Industries (L&I) regulates conveyances, which include elevators and other elevating devices. L&I must inspect and permit all new, altered, or relocated conveyances operated exclusively for single-family use in private residences. Annual inspections are not required for private residence conveyances operated exclusively for single-family use unless the owner requests the inspection.

Summary: The real property transfer disclosure statement for improved residential real property is expanded to include the disclosure of any defects in elevators, incline elevators, stairway chair lifts, and wheelchair lifts.

The change applies to transactions entered into after the effective date of the act.

Votes on Final Passage:

Senate	42	6
House	97	0

Effective: July 24, 2015

ESSB 5158

C 190 L 15

Requiring call location information to be provided to law enforcement responding to an emergency.

By Senate Committee on Law & Justice (originally sponsored by Senators McCoy and Fraser).

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Public Safety

Background: In 2007 a young woman named Kelsey Smith died after being kidnapped; she had a cell phone that might have revealed her location in time for emergency response, but law enforcement was unable to obtain her cell phone's location from the telecommunications service provider until more than three days had elapsed. Ms. Smith's family has established a foundation in her name that works to pass state laws to provide law enforcement with a way to quickly ascertain the location of a wireless telecommunications device if a person has been determined, by law enforcement, to be at risk of death or serious physical harm due to being kidnapped or missing.

Federal law prohibits providers of electronic communication services to the public from knowingly divulging records or other information pertaining to a customer, except under specific circumstances, such as pursuant to a warrant. Another circumstance in which providers are authorized to disclose records or information pertaining to customers is disclosure to a governmental entity, if the provider, in good faith, believes that an emergency involving danger of death or serious physical injury to any person requires disclosure, without delay, of information relating to the emergency. A number of states have enacted laws to regulate or encourage the disclosure by providers of cell phone location information.

The Fourth Amendment of the United States Constitution and Article I, section 7 of the state Constitution prohibits the government from conducting a warrantless search, unless an exception applies. Two exceptions from the warrant requirement that the court recognizes are when a party consents to the search and when disclosure is necessary without waiting for a court order, due to exigent circumstances such as an emergency involving immediate danger of death or serious bodily injury. Although some federal court decisions have held that the government does not need a warrant under the Fourth Amendment to obtain cell phone location data, the analysis under the state Constitution may be different. Currently Washington prosecuting attorneys advise law enforcement to obtain search warrants before requesting cell phone location data from service providers.

Summary: Wireless telecommunications providers must provide call location information for the telecommunications device of a user when requested by a law enforcement agency responding to an emergency involving risk of death or serious physical harm. Law enforcement agencies may not request this information for any other purpose. A law enforcement officer making a request for call location information be on duty during the course of official duties at the time of the request. The law enforcement agency must verify there is no relationship or conflict of interest between the law enforcement officer responding, investigating or making the request, and either the person requesting the call location information or the person for whom the call location information is being requested. Law enforcement is prohibited from distributing cell phone information to any other party, except to first responders responding to the emergency situation. Law enforcement agencies must check with the Federal Bureau of Investigation's Crime Information Center, and any other databases to determine if the person requesting the information has a history of domestic violence or stalking, or a court order restricting contact, or if either the person requesting the information or the person for whom the call location information is being requested is participating in the address confidentiality program. Law enforcement agencies may not provide call location information to any person where there is a reasonable belief that the person has a history of domestic violence or stalking, or there is a court order restricting contact, or the person is participating in the address confidentiality program, unless pursuant to a court order. No cause of action may be brought in any court against wireless telecommunications providers for providing call location information while acting in good faith and in accordance with this act.

All wireless telecommunications providers registered to do business in Washington and all resellers of wireless telecommunications services must submit emergency contact information to the Washington State Patrol (WSP), and submit new information immediately if there is any change. WSP must maintain a database with emergency contact information for all of the wireless telecommunications providers and make the information immediately available upon a request from law enforcement. WSP may adopt rules as needed to fulfill the requirements of this act.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 24, 2015

SSB 5163
C 210 L 15

Providing for educational data on students from military families.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Hobbs, Roach, Rolfes, O'Ban, Hatfield, Litzow, McCoy, Mullet, Conway, Fain, Chase and Darneille).

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

Background: According to a recent report by the Office of Superintendent of Public Instruction (OSPI), Washington serves 32,000 military-connected students.

OSPI is required to develop standards for the school data system. OSPI must develop a reporting format and instructions for school districts to collect and submit data on student demographics. This data must be disaggregated by distinct ethnic categories within racial subgroups but not by students from a military family.

The K–12 Data Governance Group is a workgroup within OSPI that oversees the development and implementation of a K–12 education data system for financial, student, and educator data.

In 2007 the United States Department of Education provided final guidance on the reporting of racial and ethnic data. The guidelines allow individuals to self-identify their ethnicity and race and permits individuals to select more than one race and/or ethnicity. The guidelines expand reporting options to seven categories: American Indian or Alaska Native, Asian, Black or African American, Hispanic, Native Hawaiian or Other Pacific Islander, White, and Two or More Races.

Summary: By the 2016-17 school year, OSPI's reporting format and instructions for school districts to collect and submit data must include data on students from military families. Students from military families means students with a parent or guardian who is in the following two categories:

- a member of the active duty United States armed forces; and
- a member of the reserves of the United States armed forces or a member of the Washington National Guard.

Data must be collected and submitted separately for these two categories.

The K–12 Data Governance Group must develop best practice guidelines for the collection and regular updating of this data on students from military families.

Collection and updating of this data must use the United States Department of Education 2007 Race and Ethnicity Reporting Guidelines, including the sub-racial and sub-ethnic categories within those guidelines, with the following modifications:

- further disaggregation of the Black category to differentiate students of African origin and students native to the United States with African ancestors;
- further disaggregation of countries of origin for Asian students;
- further disaggregation of the White category to include sub-ethnic categories for Eastern European nationalities that have significant populations in Washington; and
- for students who report as multiracial, collection of their racial and ethnic combination of categories

OSPI must conduct an analysis of the average number of students from military families who are special education students statewide, by school district, and by school. However, to protect the privacy of students, the data from schools and districts that have fewer than ten students from military families who are special education students must not be reported. OSPI must report its analysis to the Legislature by December 31, 2017.

Votes on Final Passage:

Senate	48	0	
House	67	30	(House amended)
Senate	44	1	(Senate concurred)

Effective: July 24, 2015

SSB 5165
C 22 L 15

Authorizing palliative care in conjunction with treatment or management of serious or life-threatening illness.

By Senate Committee on Health Care (originally sponsored by Senators Angel and Frockt).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Palliative care is specialized medical care for a person with serious illness that is focused on providing relief from symptoms and improving the quality of life. Services can be provided to patients in any stage of illness to assist with symptoms such as pain, shortness of breath, fatigue, or depression. Palliative care is provided in many settings including homes, hospitals, hospices, nursing facilities, and assisted living facilities.

Hospice care includes a set of services that are generally provided to a person with a life expectancy of six months. Palliative care can be a component of hospice care but is not limited to terminally ill patients. Medicare recently modified their hospice care benefit to allow patients to concurrently receive palliative care and curative care.

Health plans licensed as health care service contractors and disability insurance contractors must offer optional health coverage for home health care and hospice care. Coverage is focused on persons who are homebound and would otherwise require hospitalization. The focus on homebound patients has created some concerns when providing palliative care.

Summary: The home health care and hospice care benefit provided by health plans licensed as health care service contractors and disability insurance contractors is modified. Patients seeking palliative care in conjunction with treatment or management of serious or life-threatening illness need not be homebound in order to be eligible for coverage.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 24, 2015

SSB 5166
C 191 L 15

Concerning the management of forage fish resources.

By Senate Committee on Ways & Means (originally sponsored by Senators Rolfes, Ranker and Hasegawa).

Senate Committee on Natural Resources & Parks
Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on Capital Budget

Background: The Washington Department of Fish and Wildlife (WDFW), among other duties, must protect and manage fish and wildlife by establishing the time, place, manner, and methods used to harvest or enjoy fish and wildlife. Generally a recreational license is required to hunt, fish, or take wildlife or seaweed. A recreational fishing or shellfish license is not required, however, for carp, smelt, and crawfish, and a hunting license is not required for bullfrogs.

WDFW describes forage fish as a variety of small schooling fish that serve as food for many species of fish, birds, and marine mammals. Several forage fish species are fished recreationally and commercially in Washington. Forage fish species present in state waters include the northern anchovy, pacific sand lance – also known as candlefish, pacific herring, pacific sardine, and a variety of smelt species.

Summary: WDFW and the Department of Natural Resources (DNR) must collaborate to conduct a survey of surf smelt and sand lance spawning grounds throughout the Puget Sound, including the Strait of Juan de Fuca. The habitat survey must be completed and accessible by the public by June 30, 2017. To the extent possible, the survey should be conducted using Veterans Conservation Corps crews. Provides legislative intent that DNR and WDFW complete the surf smelt and sand lance spawning grounds survey with funds specifically appropriated from the state's capital budget for the 2015-17 biennium.

Also by June 30, 2017, WDFW must conduct a midwater trawl survey throughout the Puget Sound to evaluate the prevalence of adults of all species of forage fish. WDFW must integrate survey results into existing Puget Sound ecosystem assessments to assist in managing and conserving forage fish species and the species that prey on them.

Votes on Final Passage:

Senate	45	4	
House	93	4	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

SSB 5175
C 23 L 15

Regarding telemedicine.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Frockt, Angel, Rivers, Cleveland, Dammeier, Keiser, Fain, Parlette, Darneille, Pedersen, Habib, Kohl-Welles and Mullet).

Senate Committee on Health Care
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: Advances in technology, communications, and data management have resulted in new approaches to the delivery of medical care services. Telemedicine makes use of interactive technology and may include real-time interactive consultations, store and forward technology, remote monitoring of patients, and case-base teleconferencing. Telemedicine services are currently provided for a number of services including telepsychiatry, telepain chronic pain research, teleburns, teleradiology, telestroke, and teledermatology, among others.

The Medical Quality Assurance Commission (Commission) recently adopted guidelines on the appropriate use of telemedicine which describe how telemedicine is to be defined, supervised, regulated, and disciplined by the Commission consistent with existing statutes governing the practice of medicine.

Payment for some services does occur, but there is not a mandate to provide payment for covered services and payment practices vary.

The federal Affordable Care Act (ACA) established requirements for many health plans to cover essential health benefits, which reflect ten general categories of care: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance abuse disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services including oral and vision care.

Summary: Health insurance carriers, including health plans offered to state employees and Medicaid managed care plan enrollees, must reimburse a provider for a health care service delivered through telemedicine or store and forward technology if:

- the plan provides coverage of the health care service when provided in person;
- the health care service is medically necessary; and
- the health care service is a service recognized as an essential health benefit under the ACA.

Telemedicine means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient and the provider for medical diagnosis, consultation, or treatment. It does not include the use of audio-only telephone, facsimile, or email. Store and forward technology means the asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person.

If the service is provided through store and forward technology there must be an associated office visit between the covered person and the referring health care provider. Reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health plan and health care provider.

An originating site for a telemedicine service includes a hospital, rural health clinic, federally qualified health center, physician's or other health care provider's office, community mental health center, skilled nursing facility, or renal dialysis center except an independent renal dialysis center. The originating site means the physical location of a patient receiving health services through telemedicine. The distant site means the site where the provider is located when the service is provided through telemedicine.

An originating site may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the health plan. A distant site or any other site not listed may not charge a facility fee.

The health plan may not distinguish between originating sites that are rural and urban in providing coverage. The health plan may apply utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to a comparable health care service provided in person.

An originating site hospital may rely on a distant site hospital's decision to grant or renew clinical privileges of the physician if the originating site hospital obtains reasonable assurances that the following provisions are met:

- the distant site hospital providing the telemedicine services in a Medicare-participating hospital;
- any physician providing telemedicine services at the distant site will be fully privileged to provide such services at the distant site hospital;
- any physician providing telemedicine services will hold and maintain a valid license to perform such services issued or recognized by the state of Washington; and
- the originating site hospital has evidence of an internal review of the distant site physician's performance and sends the performance information to the distant site hospital for use in the periodic appraisal of the distant physician.

Votes on Final Passage:

Senate	46	0
House	88	9

Effective: July 24, 2015
January 1, 2017 (Sections 2-4)

SB 5176
C 24 L 15

Concerning the capitol furnishings preservation committee.

By Senators Keiser, Honeyford, Roach, Fraser, Schoesler and Chase.

Senate Committee on Government Operations & Security
House Committee on State Government

Background: Capitol Furnishings Preservation Committee. The Capitol Furnishings Preservation Committee (Committee) was created in 1999 to promote and encourage the preservation of the original and historic furnishings of buildings on the state capitol campus. The Committee is responsible for raising awareness to help prevent future loss of historic furnishings, funding the res-

toration of certain furnishings, and reviewing and advising future remodeling and restoration projects in Capitol Group buildings. Currently the Capitol Group includes the Legislative Building, the Insurance Building, the Temple of Justice, the John A. Cherberg Building, the John L. O'Brien Building, and the Irving Newhouse Building.

The Committee includes two members of the House of Representatives and two members of the Senate, one from each major caucus in each chamber; the Chief Clerk of the House of Representatives; the Secretary of the Senate; the Governor or their designee; the Lieutenant Governor or their designee; representatives from the offices of the Secretary of State, State Treasurer, State Auditor, and Insurance Commissioner; a representative of the Supreme Court; representatives of the Washington State Historical Society, Department of Enterprise Services, and the Thurston Regional Planning Council, each appointed by the Governor; and three private citizens, appointed by the Governor.

Summary: The Pritchard Building is added to the list of Capitol Group buildings. The General Administration Building is also included as a Capitol Group building, if the building is repurposed to serve a different function or substantially remodeled. The Committee is permitted to engage in interpretive and educational activities, including displaying historic furnishings. The Secretary of the Senate and Chief Clerk of the House of Representatives are permitted to appoint designees to serve on the Committee. An additional three private citizens may be appointed to the Committee by the Governor.

Votes on Final Passage:

Senate	47	0
House	96	1

Effective: July 24, 2015

2E2SSB 5177

C 7 L 15 E 1

Concerning forensic mental health services.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban and Darneille; by request of Department of Social and Health Services).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Judiciary
House Committee on Appropriations

Background: Forensic mental health services are evaluation and treatment services related to competency to stand trial (CST) and criminal insanity. Forensic mental health services are administered by staff from Washington's three state hospitals: Western State Hospital, Eastern State Hospital, and the Child Study and Treatment Center.

The issue of CST arises when a party to a criminal proceeding or the court raises the issue of to whether a criminal defendant has the present capacity to understand the nature of the charges or to assist in their own defense. Whenever CST is raised, the legal proceedings must be stayed until a mental health expert can evaluate the defendant and report on the defendant's mental state. If a court finds that a defendant is incompetent to stand trial (IST), the court may order the defendant to receive competency restoration treatment. Competency restoration periods vary depending on whether the defendant is charged with a felony or a misdemeanor, and by the type of felony or misdemeanor charge.

DSHS may place a defendant who is ordered to receive competency restoration treatment in an appropriate treatment facility. Historically, DSHS has provided competency restoration treatment exclusively at state hospitals.

In 2014 DSHS published a report entitled Forensic Mental Health Consultant Review Final Report. This report was prepared by Groundswell Services, Inc., a consortium of national experts in forensic mental health services based at the University of Denver, University of Virginia, and University of Massachusetts. The report makes several recommendations, including a recommendation that Washington should establish a centralized Office of Forensic Mental Health Services.

In 2014, the state was sued regarding the timeliness of services related to CST. In April 2015, the United States District Court for the Western District of Washington found that waiting times for CST services violate the substantive due process rights of criminal defendants and established seven days as the maximum justifiable period of incarceration absent an individualized finding of good cause.

Summary: The Legislature encourages DSHS to develop, on a phased-in basis, alternative locations and increased access to competency restoration treatment for individuals who do not require inpatient hospitalization. This may include community mental health providers or other local facilities that are willing and able to provide appropriate treatment under contract. During the 2015-17 fiscal biennium, DSHS may contract with one or more counties or cities to provide competency restoration services in a county or city jail, if the jail is willing and able to serve as a location for competency restoration and the Secretary of DSHS determines there is an emergent need for beds and documents the justification, including a plan to address the emergency. Competency restoration patients must be physically separated from other populations at the jail and must be provided as much as possible with a therapeutic environment. DSHS must develop a screening process to determine which individuals are safe to receive competency restoration treatment outside the state hospitals in collaboration with counties and courts.

Time periods for competency restoration treatment for felony and misdemeanor defendants must include only time that the defendant is at the facility receiving treatment and do not include reasonable time for transport. A statutory seven-day time limit for placement in a treatment program or a court hearing under chapter 10.77 RCW is specified to apply only to persons who are criminally insane, and not persons ordered to receive competency restoration treatment. The clerk of court, prosecutor, and jail administrator must provide certain documents to the state hospital within 24 hours of the signing of an order related to CST. Jails must transport a defendant to a state hospital for CST services within one day of an offer of admission, and must arrange for CST evaluators to have reasonable, timely, and appropriate access to defendants.

An Office of Forensic Mental Health is established within DSHS. This office must be led by a director on at least the level of deputy assistant secretary within DSHS who must, after a reasonable period of transition, have the following responsibilities:

- operational control of all forensic evaluation services, including specific budget allocation separate from the budget for state hospital services;
- training forensic evaluators;
- developing a system to certify forensic evaluators and monitor the quality of forensic evaluation reports;
- acting as liaison with courts, jails, and community mental health programs to ensure proper flow of information, coordination of logistical issues, and solving problems in complex circumstances;
- coordinating with state hospitals to identify and develop best practice recommendations and curricula for services unique to forensic patients;
- promoting congruence across state hospitals where appropriate and interventions which flow smoothly into community interventions;
- coordinating with entities regarding community treatment and monitoring of persons on conditional release;
- overseeing forensic data collection and analysis; and
- overseeing development and implementation of community forensic programs.

A prosecutor may dismiss a charge without prejudice if the issue of CST is raised and refer the defendant for assessment by a mental health professional, chemical dependency professional, or developmental disabilities professional to determine the appropriate service needs of the defendant. Defendants who have a current charge or prior conviction for a violent offense or sex offense are excluded from this provision.

The expiration date of DSHS' obligation to reimburse a county for the cost of appointing an expert to evaluate CST instead is extended three years until June 30, 2019. Criteria for triggering this obligation are expanded to include the situation in which DSHS did not perform at least one third of in custody CST evaluations for defendants in the county in the most recent quarter. Counties which utilize this provision must maintain certain data elements and share data with DSHS upon request.

The Administrative Office of the Courts must develop standard court forms for forensic mental health services and involuntary civil commitment by December 31, 2015. A court video testimony work group is established to consider and facilitate the use of video testimony by CST evaluators and state hospital representatives. An emergency clause is added to Section 1, chapter 253, Laws of 2015 (House Bill 1599).

Votes on Final Passage:

Senate	44	5

First Special Session

Senate	46	1
House	81	12

Effective: August 27, 2015
July 1, 2015 (Sections 1-6, 8-15)
June 10, 2015 (Section 7)
April 1, 2016 (Section 16)

SSB 5186

C 30 L 15 E 3

Concerning property tax exemptions for service-connected disabled veterans and senior citizens.

By Senate Committee on Ways & Means (originally sponsored by Senators Benton, Hasegawa, Sheldon and Keiser).

Senate Committee on Ways & Means
House Committee on Finance

Background: All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. Some senior citizens and persons retired due to disability are entitled to a property tax exemption for their principal residences. To qualify a person must be age 61 in the year of application; retired from employment because of a disability or 100 percent disabled due to military service; own the person's principal residence; and have a disposable income of less than $35,000 per year. Persons meeting this criteria are entitled to partial property tax exemptions and a property valuation freeze.

Disposable income is defined as adjusted gross income, plus: capital gains; pension and annuity receipts; military pay and benefits other than attendant-care and medical-aid payments; veterans' benefits, other than attendant-care and medical-aid payments, disability compensation, and dependency and indemnity compensation; federal Social Security Act and railroad retirement benefits; dividend receipts; and interest received on state and

municipal bonds, less amounts deducted for loss and depreciation.

Combined disposable income is defined as the disposable income of the person claiming the exemption, plus the disposable income of the person's spouse or domestic partner, and the disposable income of each cotenant occupying the residence, less amounts paid by the person claiming the exemption or the person's spouse or domestic partner during the assessment year for the following:

- prescription drugs;
- the treatment or care of either person received in the home or a facility; and
- health care insurance premiums for Medicare.

Summary: The combined disposable incomes, for senior citizens and persons retired due to disability, used to determine their qualifications for a property tax exemption are increased by $5,000. They must have as follows:

- a combined disposable income of $40,000 or less to be exempt from excess property taxes; and
- a combined disposable income between $30,001 and $35,000 to be exempt from all regular property taxes on the greater of $50,000 or 35 percent of the valuation of the person's residence, not to exceed $70,000 of the valuation of the person's residence; or
- a combined disposable income of $30,000 or less is exempt from all regular property taxes on the greater of $60,000 or 60 percent of the valuation of the person's residence.

The combined disposable income for a person entitled to defer property taxes is increased by $5,000. The person's combined disposable income must be $45,000 or less, and the person must be at least 60 years old or retired from regular employment because of physical disability.

The increases are exempt from the ten-year tax preference expiration date.

Votes on Final Passage:

Senate	49	0

Second Special Session

Senate	44	0

Third Special Session

Senate	44	0
House	97	1

Effective: October 9, 2015

SSB 5202

C 211 L 15

Regarding the financial education public-private partnership.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Mullet, Fain, Litzow, Billig, Frockt, Keiser and Habib).

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

Background: The Financial Education Public-Private Partnership (Partnership) consists of four legislators, four representatives from the financial services sector, four educators, one designee from the Department of Financial Institutions, and two representatives from the Office of Superintendent of Public Instruction (OSPI).

The duties of the Partnership include the following:

- communicating financial education standards and strategies for improving financial education to school districts;
- reviewing and developing a procedure for endorsing financial education curriculum;
- identifying assessments and outcome measures that schools can use to determine whether students meet financial education standards; and
- monitoring and providing guidance for professional development.

Legislation enacted in 2007 established goals of basic education. One of those goals was understanding the importance of work and finance. In 2008 financial literacy was included in Washington's seventh grade level expectations for social studies and economics. There are no separate Essential Academic Learning Requirements (EALRs) for financial education.

The JumpStart Coalition for Personal Financial Literacy (Coalition) is a nonprofit organization that promotes financial literacy among students from prekindergarten through college. The Coalition partners with corporate, nonprofit, academic, and government entities, including Washington entities. The Washington branch of the Coalition adopted financial literacy concepts that link with EALRs, which school districts are encouraged to adopt.

Summary: The State Treasurer or the State Treasurer's designee is added as a member to the Partnership. Teachers who are members of the Partnership may be paid their travel expenses according to current law from funds available in the Partnership account. Funds from the Partnership account may also pay for a substitute teacher when member teachers attend official meetings of the Partnership. If the Partnership pays for these expenses, the school district must release a teacher to attend official Partnership meetings.

The Partnership must work with OSPI to integrate financial education skills and content knowledge into the state learning standards. Standards in K–12 personal fi-

nance education developed by a national coalition for personal financial literacy that includes partners from business, finance, government, academia, education, and state affiliates are adopted as the state financial education learning standards. Online instructional materials and resources are added to the financial education curriculum that the Partnership reviews on an ongoing basis.

The Partnership is no longer required to identify assessments and outcome measures for schools to determine whether students meet the financial education standards, or to create professional development that could lead to a certificate endorsement or other certification of competency.

After consulting with the Partnership, OSPI must make available to all districts a list of materials that align with the financial standards integrated into the state learning standards. The Partnership may seek federal and private funds to support school districts in providing access to the materials and related professional development for certificated teachers. School districts must provide high school students the opportunity to access the financial education standards and publicize the availability of these opportunities to students and their families.

Votes on Final Passage:

Senate	44	4	
House	91	6	(House amended)
Senate	45	2	(Senate concurred)

Effective: July 24, 2015

SB 5203

C 173 L 15

Modifying certain job order contracting requirements.

By Senators Warnick, Hasegawa and Keiser; by request of Department of Enterprise Services.

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: A job order contract allows public entities to contract for small public works projects to repair and renovate public facilities without all the bidding requirements of most public works projects. The contract is for a fixed period, with an indefinite quantity of work, at negotiated work orders and prices. A determination must be made that the use of job order contracts will benefit the public by providing an effective means of reducing the total lead time and cost for the project. State and local agencies are limited to two job order contracts, except the Department of Enterprise Services is limited to four contracts. The maximum that can be contracted through job order contracts is $4 million per year, except counties with more than 1 million residents the limit is $6 million.

Summary: The Department of Enterprise Services and cities with populations greater than 400,000 are allowed a maximum of $6 million per year for job order contracts and may have six job order contracts in place.

The amendment authorized cities with populations greater than 400,000 to use up to six job order contracts for a total of $6 million per year.

Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate	44	4	(Senate concurred)

Effective: July 24, 2015

SB 5207

C 227 L 15

Concerning office hours for registered tow truck operators.

By Senators Liias and King.

Senate Committee on Transportation
House Committee on Labor

Background: Tow truck operators who impound vehicles from private or public property or who contract with law enforcement to provide towing must be registered with the Department of Licensing. Only a registered operator may impound a vehicle.

Certain requirements apply regarding an operator's business location and hours. An operator must post a sign at the business location where vehicles may be redeemed that includes information about the business hours, towing and storage charges, and vehicle redemption procedures.

On a day the operator is open for business, the business office must remain open with personnel present who can release impounded vehicles. The normal business hours of a towing service must be from 8:00 a.m. to 5:00 p.m. on weekdays, excluding weekends and holidays. An operator must maintain personnel who can be contacted 24 hours per day to release impounded vehicles within 60 minutes.

Summary: Between the hours of 11:00 a.m. and 1:00 p.m., a registered tow truck operator may close the business office for a lunch break if notice is posted, visible at the door. The lunch break may not exceed one hour. The notice must contain a telephone number where personnel authorized to release impounded vehicles may be contacted who are able to return in no more than 30 minutes to release the vehicle. If the caller redeems the vehicle upon the tow truck personnel's return, then the accrual of the charges for storage cease at the time the call was made.

Votes on Final Passage:

Senate	45	2
House	98	0

Effective: July 24, 2015

SB 5210
C 111 L 15

Authorizing an optional life annuity benefit for members of the Washington state patrol retirement system.

By Senators Bailey, Conway, Hobbs, Schoesler, Angel, Keiser and Benton; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Washington State Patrol Retirement System (WSPRS) covers all commissioned officers of the Washington State Patrol (WSP). Members of the WSPRS may retire at age 55 or after 25 years of service at any age. There are two tiers of benefits in WSPRS: Plan 1, which was closed on December 31, 2002, and Plan 2, which has covered all new fully commissioned officers of WSP that received their commissions after that date.

Members of the WSPRS have the opportunity to participate in the Department of Retirement Systems (DRS)-administered deferred compensation program consistent with the requirements of section 457 of the federal Internal Revenue Code, commonly called a 457 Plan. The DRS 457 Plan allows state employees to place a portion of salary, on a pre-tax basis, into a deferred compensation account. Counties, municipalities, and other political subdivisions may participate in the DRS-administered deferred compensation program, or they may offer other deferred compensation plans.

Members and survivors of the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement Systems Plans 3 may convert some or all of the funds from their Plan 3 member account to a life annuity.

The 2006 Legislature provided the opportunity for members of the WSPRS and other DRS-administered retirement systems to purchase up to five years of additional service credit at the time of retirement. The increase in the retiree's monthly benefit resulting from the additional years of service credit is a type of life annuity. The cost of the additional service credit is the actuarial equivalent value of the resulting increase in the member's benefit. The member may pay all or part of the cost of the additional service credit with an eligible transfer from a qualified retirement plan.

In 2014 the Legislature provided retirees from the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) with an option to also purchase an actuarially equivalent life annuity at retirement. Annuity purchases from LEOFF 2 require a minimum purchase of $25,000 from a tax-qualified plan offered by a governmental employer.

Summary: WSPRS members are permitted to purchase actuarially equivalent life annuity benefits from the WSPRS retirement fund at the time of retirement. Annuity purchases must be made with $25,000 or more, and the funds used for the purchase must be from a tax-qualified plan offered by a governmental employer.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 24, 2015

2SSB 5215
C 84 L 15

Establishing the Washington internet crimes against children account.

By Senate Committee on Ways & Means (originally sponsored by Senators Roach, Pedersen, Kohl-Welles, Baumgartner, Padden, Darneille, Keiser, Benton and O'Ban).

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Internet Crimes Against Children Task Force Program (ICAC program) helps state and local law enforcement agencies develop an effective response to technology-facilitated child sexual exploitation and Internet crimes against children. This help encompasses forensic and investigative components, training and technical assistance, victim services, and community education.

The program was developed in response to the increasing number of children and teenagers using the Internet, the proliferation of child sexual abuse images available electronically, and heightened online activity by predators seeking unsupervised contact with potential underage victims. The Office of Juvenile and Delinquency Prevention (OJJDP) created the ICAC program under the authority of the fiscal year (FY) 1998 Justice Appropriations Act, Public Law 105–119. The Providing Resources, Officers, and Technology to Eradicate Cyber Threats to Our Children Act of 2008, P.L. 110-401, codified at 42 USC 17601, et seq., authorized the ICAC program through FY 2013.

The ICAC program is a national network of 61 coordinated task forces representing over 3500 federal, state, and local law enforcement and prosecutorial agencies. In Washington the ICAC is administered through the Seattle Police Department. These agencies are engaged in both proactive and reactive investigations, forensic investigations, and criminal prosecutions. By helping state and local agencies to develop effective, sustainable responses to online child victimization – including responses to the online sharing of child sexual abuse images, OJJDP has increased the capacity of thousands of communities across the country to combat Internet crimes against children.

Since the ICAC program's inception in 1998, more than 440,000 law enforcement officers, prosecutors, and other professionals have been trained on techniques to in-

vestigate and prosecute ICAC-related cases. Since 1998, ICAC Task Forces have reviewed more than 435,000 complaints of alleged child sexual victimization resulting in the arrest of more than 45,000 individuals.

In calendar year 2013, ICAC investigations contributed to the arrests of more than 7400 individuals, and task forces conducted over 60,098 forensic examinations. Additionally, the ICAC program trained over 30,000 law enforcement personnel, over 3500 prosecutors, and more than 5300 other professionals working in the ICAC field.

Unclaimed prizes in the state lottery account are retained in the state lottery fund for further use as prizes, except one-third of all unclaimed prize money is deposited in the economic development strategic reserve account and during the 2013-15 fiscal biennium, the Legislature may transfer to the education legacy trust account amounts as reflect the excess fund balance in the state lottery account from unclaimed prizes.

Summary: The Washington ICAC account is created in custody of the state treasury. The account must be used exclusively by Washington ICAC and its affiliate agencies for combating Internet-facilitated crimes against children, promoting education on Internet safety to the public and to minors, and rescuing child victims from abuse and exploitation. Only the Criminal Justice Training Commission (CJTC) or the CJTC's designee may authorize expenditures from the account. The account is subject to allotment procedures, but an appropriation is not required for expenditures. The Commission may enter into agreements with the Washington Association of Sheriffs and Police Chiefs to administer grants and other activities of the account and to be paid an administrative fee not to exceed 3 percent of expenditures.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

SB 5227

C 276 L 15

Creating the international commercial arbitration act.

By Senators Baumgartner, O'Ban, Dammeier and Fain.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Arbitration is a method for resolving disputes without going to court. In international commercial dealings, arbitration gives businesses more control because the process is set by the parties' private agreement and the decision maker is a mutually selected neutral party. Arbitration keeps business disputes confidential and protects businesses from uncertain outcomes based on foreign laws and judicial processes.

The international commercial arbitration law's purpose is to provide uniform terms for arbitration agreements and uniform enforcement processes for arbitration agreements and awards. Currently more than 60 nations and eight U.S. states have adopted the international commercial arbitration law. The states that have adopted the law are California, Connecticut, Florida, Georgia, Illinois, Louisiana, Oregon, and Texas. Washington has not adopted the international commercial arbitration law.

Summary: The international commercial arbitration law applies only to arbitrations that take place within Washington except when a superior court has authority to issue or enforce interim measures, or to enforce arbitration agreements and awards. Washington's international commercial arbitration law is subject to any conflicting agreements between the federal government and other nations. The arbitration agreement must be in writing. An arbitration clause may remain valid even if the underlying contract of the parties is invalid. Parties may pursue arbitration under their arbitration agreement even if the dispute is pending in court.

Votes on Final Passage:

Senate	37	10
House	98	0

Effective: July 24, 2015

SB 5238

C 25 L 15

Concerning public water systems' public participation notice provisions.

By Senators Angel, Liias, Honeyford, McCoy, Dammeier and Chase.

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

Background: Public Water Systems. More than 5.5 million Washington residents, roughly 85 percent of the population receive their drinking water from Group A or Group B public water systems. Group A water systems have 15 or more service connections, regularly serve 25 or more people 60 or more days per year, or serve 1000 or more people for two or more consecutive days. Group B water systems serve fewer than 15 connections and fewer than 25 people per day.

Some public water systems must submit a water system plan for review and approval by the Department of Health. These public water systems include the following:

- systems having 1000 or more service connections;
- systems required to develop water system plans under the Public Water System Coordination Act of 1977;
- new systems or expanding systems; and
- other specified systems.

The Growth Management Act (GMA). GMA is the comprehensive land use planning framework for counties

and cities in Washington. Originally enacted in 1990 and 1991, GMA establishes land use designation and environmental protection requirements for all Washington counties and cities, and a significantly wider array of planning duties for the 28 counties and the cities within them that fully plan under GMA.

GMA requires counties and cities to establish a program that identifies procedures and schedules for the public to participate in the development and amendment of comprehensive plans and development regulations. The program must include notice procedures that are reasonably calculated to provide notice to property owners and other affected and interested individuals, tribes, government agencies, businesses, school districts, and organizations of proposed amendments to comprehensive plans and development regulations. The procedures should provide for broad dissemination of proposals and alternatives, an opportunity for written comments, public meetings after the effective notice, a provision for open discussion, communication programs, information services, and consideration of and response to public comments.

Summary: The list of persons and entities that public participation requirements of GMA must, through notice procedures, must also be reasonably calculated to provide notice of proposed amendments to comprehensive plans and development regulations is expanded to include Group A public water systems that are required to develop water system plans.

Votes on Final Passage:

Senate	49	0
House	93	4

Effective: July 24, 2015

SB 5249

C 112 L 15

Creating a bond issuance exemption for qualifying local revitalization financing projects.

By Senators Darneille, Conway and Miloscia.

Senate Committee on Government Operations & Security
House Committee on Technology & Economic Development

Background: Public infrastructure funding is accomplished in a number of different ways in the state. Tax increment financing is a method of redistributing increased tax revenues within a geographic area resulting from a public investment to pay for the bonds required to construct a project.

The Legislature has created a number of tax increment financing programs: the Community Revitalization Financing Program in 2001; the Local Infrastructure Financing Tool Program in 2006; the Local Revitalization Financing Program (LRF) in 2009.

LRF authorizes cities and counties to create revitalization areas and allows certain increases in local sales and use tax revenues and local property tax revenues generated from within the revitalization area, additional funds from other local public sources, and a state contribution to be used for payment of bonds issued for financing local public improvements within the revitalization area.

The 2009 legislation designated seven LRF demonstration projects, provided a total state contribution of $2.25 million per fiscal year, and set a specific state contribution amount for each project ranging from $200,000 to $500,000. The legislation also provided for a competitive process to be administered by the Department of Revenue (DOR) on a first-come basis in order to enable additional sponsoring local governments to seek a state contribution. DOR began accepting applications on September 1, 2009. Thirteen applications were received. Six projects were allocated state contributions before the $2.5 million cap was reached. Seven additional applications received no state contribution.

In 2010 the Legislature amended the LRF statutes and increased the maximum state contribution for demonstration projects from $2.25 million to $4.2 million. Six jurisdictions were allowed to resubmit applications for approval in 2010. Five jurisdictions resubmitted applications. Bringing the total LRF award amounts for demonstration projects up to $4.16 million.

Summary: A city or county does not need to issue bonds for the Tacoma International Financial Services Area/Tacoma Dome Demonstration Project or for local revitalization financing projects of less than $150,000.

Votes on Final Passage:

Senate	46	1
House	81	16

Effective: July 24, 2015

ESB 5262

C 262 L 15

Releasing juvenile case records to the Washington state office of civil legal aid.

By Senators O'Ban, Pedersen, Darneille, Dammeier and Honeyford.

Senate Committee on Human Services, Mental Health & Housing
House Committee on Judiciary

Background: The Department of Social and Health Services (DSHS) or any person may file a petition in court to determine if a child should be a dependent of the state due to abuse, neglect, abandonment, or because there is no parent or custodian capable of caring for the child. If the court determines that the child is dependent, then the court will conduct periodic reviews and make determinations about the child's placement and the parents' progress in

correcting parental deficiencies. Under certain circumstances, the court may order the filing of a petition for the termination of parental rights.

Pursuant to legislation enacted in 2014 – E2SSB 6126, the court must appoint an attorney for a child in a dependency proceeding six months after granting a petition to terminate the parent and child relationship and when there is no remaining parent with parental rights. Subject to the availability of amounts appropriated for this specific purpose, the state must pay the costs for legal services of attorneys appointed to represent children six months after termination of parental rights if those services are provided in accordance with the standards of practice, voluntary training, and caseload limits developed and recommended by the statewide children's representation workgroup.

The Office of Civil Legal Aid (OCLA) administers funds appropriated for the appointment of an attorney for a child who has no remaining parent with parental rights. OCLA may enter into contracts with counties to disburse state funds and may require a county to use attorneys under contract with OCLA to remain within appropriated amounts. Prior to disbursing state funds, OCLA must verify that the appointed attorneys meet the standards of practice, voluntary training, and caseload limits.

Summary: The court must release records to OCLA that are needed to implement the agency's oversight, technical assistance, and other functions associated with appointment of attorneys to children who have no remaining parent with parental rights. The records used for those purposes will be restricted to OCLA, and the agency must maintain the confidentiality of all confidential information included in the records. As soon as possible, OCLA must destroy any retained notes or records obtained that are not necessary for its functions related to the administration of funds for appointment of attorneys to children after termination of parental rights.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	44	3	(Senate concurred)

Effective: July 24, 2015

SSB 5268

C 85 L 15

Concerning refilling eye drop prescriptions.

By Senate Committee on Health Care (originally sponsored by Senators Parlette, Kohl-Welles, Hatfield, Angel and Fraser).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Health care professionals with prescription authority may prescribe topical ophthalmic products to treat a variety of medical conditions, including glaucoma. Many insurers have structured the design of their drug benefits to align with the frequency at which prescriptions can be filled. With oral drugs, a 30-day supply is limited to the number of pills provided. However, with topical opthalmic products, patients may accidently put multiple drops in their eyes, or miss the eye, which would result in the prescription running out before 30 days have passed.

Summary: Pharmacists may refill a prescription for topical ophthalmic products at 70 percent of the predicted days of use. This applies to original prescriptions and refills. In order to refill the prescription early, the prescription must indicate the number of refills permitted and the early refill must not exceed that number. Early refills are permitted only one time.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

E2SSB 5269

C 258 L 15

Concerning court review of detention decisions under the involuntary treatment act.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban, Darneille, Rolfes, Dansel, Miloscia, Pearson, Bailey, Padden, Becker, Frockt, Habib and Pedersen).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Judiciary
House Committee on Appropriations

Background: A civil detention under the Involuntary Treatment Act (ITA) must be initiated by a designated mental health professional (DMHP). A DMHP may detain a person following investigation if the DMHP determines that the person, as the result of a mental disorder, presents a likelihood of serious harm, or is gravely disabled. Likelihood of serious harm means a substantial risk that the person will inflict serious harm on self or others as evidenced by behavior which has caused such harm or places another person in reasonable fear of sustaining such harm. Gravely disabled means that the person is in danger of serious physical harm based upon a failure to provide for their essential human needs of health or safety, or manifests severe deterioration in routine functioning and is not receiving care that is essential for health or safety.

A DMHP investigation must consist of an evaluation of the specific facts supporting detention and an evaluation of the credibility of any witnesses providing information to support detention. A personal interview with the person is required unless the person refuses an interview. A DMHP may not initiate detention if it appears the person

will voluntarily seek appropriate treatment. A DMHP must consider all reasonably available information from credible witnesses, including family members, landlords, neighbors, or others with a significant history of involvement with the person. A DMHP must also consider reasonably available treatment records, including records of prior commitment, prior determinations of competency to stand trial or criminal insanity, and any history of violent acts.

If the likelihood of serious harm is imminent, or if the person is in imminent danger due to being gravely disabled, the DMHP may immediately cause the person to be detained to a triage facility, crisis stabilization unit, evaluation and treatment facility, or emergency department. If the likelihood of serious harm or grave disability is present but not imminent, the DMHP must obtain a judicial order authorizing detention and certifying that the petition is supported by probable cause. The judicial order may be based upon sworn telephonic testimony or the DMHP's sworn declaration, and is issued ex parte.

Initial detention under the ITA is for 72 hours, excluding weekends and holidays, during which time the detained person must be provided with appointed counsel or allowed to retain counsel. Before the end of the 72-hour period, the facility providing treatment must release the person or file a petition asking the superior court to authorize continuance of detention for up to 14 additional days, or to commit the person for up to 90 days of outpatient treatment. The court must hold a probable cause hearing to determine whether there is sufficient evidence based on a preponderance of the evidence standard to issue a detention or commitment order. The probable cause hearing is an adversary hearing, governed by the rules of evidence, in which the facility must be represented by the county prosecuting attorney.

Summary: An immediate family member, guardian, or conservator of a person may petition superior court for review of a DMHP decision to not detain a person for evaluation and treatment under the ITA, or to not take action within 48 hours of a request for investigation. The court must review the petition to determine whether it raises sufficient evidence to support the allegation. If it so finds, the court must provide a copy of the petition to the DMHP agency and order the agency to provide the court and the petitioner with a written sworn statement providing the basis for the decision to not seek initial detention and a copy of all information material to the DMHP's decision within one judicial day.

Any person may submit a declaration in support of or in opposition to the DMHP's decision. The petition must be submitted on forms developed by the courts and contain a sworn declaration from the petitioner and other witnesses, if desired, describing why the person should be detained for evaluation and treatment, a description of the relationship between the petitioner and the person, and the date on which an investigation was requested from the DMHP.

If the court finds after reviewing all the information that there is probable cause to support initial detention, and that the person has refused to accept evaluation and treatment voluntarily, the court may enter an order for initial detention. The court must issue a final ruling on the petition within five judicial days after it is filed. The DMHP must execute the order without delay.

The Department of Social and Health Services and each regional support network or agency employing DMHPs must publish information in an easily accessible format describing the process for filing a petition under this act. A DMHP or DMHP agency that receives a request for investigation must inquire whether the request comes from an immediate family member, guardian, or conservator who would be eligible to petition under this act. If the person is not detained within 48 hours, the agency must inform this person about the process to petition for court review.

For the purposes of this act, immediate family member means spouse, domestic partner, child, stepchild, parent, stepparent, grandparent, or sibling.

This act may be known and cited as Joel's Law.

Votes on Final Passage:

Senate	46	3	
House	92	5	(House amended)
Senate			(Senate refused to concur)
House	92	5	(House amended)
Senate	45	2	(Senate concurred)

Effective: July 24, 2015

SSB 5275

C 86 L 15

Concerning tax code improvements that do not affect state revenue collections.

By Senate Committee on Ways & Means (originally sponsored by Senators Schoesler, Hargrove, Hill, Sheldon and Hewitt).

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, administrative agencies suggest statutory revisions for the purpose of increasing clarity or improving administration.

Summary: Part 1 – Eliminating Obsolete and Redundant Statutory Provisions. Two statutes are repealed that are duplicative of RCW 82.04.600:

- RCW 82.04.395 – exempts certain materials printed in school district and educational service district printing facilities; and
- RCW 82.04.397 – exempts certain materials printed in county, city, or town printing facilities.

The Business and Occupation (B&O) tax credit in RCW 82.04.4333 for a portion of employer-provided job training costs of eligible taxpayers is repealed:

- The credit has not been used since 2006. The credit for customized employment training under 82.04.4333 is being used instead.

The B&O tax credit for the cost of purchasing mechanical lifting devices in hospitals is repealed. This repeal eliminates the need for the Department of Revenue (DOR) to issue an irrelevant annual report on the amount of credits claimed:

- Credit could not be earned after December 30, 2010.
- Although unused credit can be carried forward until fully used, tax reporting data indicates that no credit has been claimed since the first quarter of 2011.

The sales tax exemption in RCW 82.08.0265 for sales to nonresidents of certain retail services, such as the repair of tangible personal property (TPP) and TPP that becomes a component part during the course of providing retail services exempt from sales tax under this statute is repealed:

- The statute no longer serves any purpose because of the sales tax sourcing provisions in RCW 82.32.730, which generally source sales of TPP and retail services to the location where receipt by the buyer occurs.

RCW 82.14.220, which references duties of the State Treasurer that are no longer required, is repealed.

RCW 82.24.235, which is part of a series of changes in Sections 307 and 308 to clarify that DOR may only adopt rules to administer the cigarette and other tobacco products (OTP) tax statutes, but not enforce these statutes, is repealed. The Liquor Control Board (LCB) must continue enforcing the cigarette and OTP laws.

RCW 84.41.030, 84.41.041, and 84.48.034 are amended to remove obsolete language regarding cyclical revaluation for property tax purposes. By law, all counties are now required to revalue property annually. Previously they were able to value property anywhere between every one to four years.

Part 2 – Providing Administrative Efficiencies. RCW 46.71.090 is amended to streamline the process of providing notice to automotive repair facilities regarding customer rights by allowing DOR to maintain the information on its website in lieu of sending annual notices to automotive repair facilities. DOR continues to provide this information when issuing a tax registration to an automotive repair business, either in paper form or electronically.

The application requirement in RCW 82.08.900 is eliminated to make it easier to claim the sales tax exemption for certain services and components related to anaerobic digesters. This makes it on par with other agricultural exemptions.

Part 3 – Providing Greater Clarity and Consistency. Out-of-date references in RCW 82.04.627 are updated:

- This statute addresses the place of sale of specified components of commercial airplanes for B&O tax purposes.
- The statue contains out-of-date federal aviation regulation (FAR) citations and references terms no longer used in FARs.

The B&O and sales and use tax exemptions for restaurant employee meals is clarified to only apply to the restaurant's employees.

Ambiguity concerning whether airplanes used primarily to provide services to the federal government, such as fire suppression services, are exempt from the sales and use tax is clarified. These sections make clear that such airplanes are exempt from the sales and use tax.

Sections 307 and 308, along with section 101(7), clarify that DOR may only adopt rules to administer the cigarette and OTP taxes, but not enforce these taxes. LCB must continue enforcing the cigarette and OTP tax laws:

- In 1997 legislation was enacted (ESHB 2272) that transferred responsibility for the enforcement of cigarette taxes to LCB. DOR retained the responsibility for administering cigarette taxes.
- Enforcement of cigarette taxes includes ensuring that tobacco sellers are properly licensed, keeping tobacco out of the hands of those under age 18, and investigating and preventing unlawful acquisition and shipments of contraband cigarettes.
- Administration of cigarette taxes includes collecting the taxes, engaging in taxpayer education efforts, auditing taxpayers, and administering the cigarette stamping process.
- There is a similar delegation of duties between DOR and LCB with respect to the OTP tax.

DOR's administrative provisions in RCW 82.32 are clarified to apply to fees collected by DOR – e.g. the wood stove fee imposed in RCW 70.94.483 and the replacement tire fee imposed in RCW 70.95.510.

The requirement for taxpayers to maintain records is clarified to apply to any tax or fee administered by DOR, not just taxes or fees imposed in chapters 82.04 through 82.27 RCW.

RCW 82.65A.030 is amended to replace the term persons with developmental disabilities with the term persons with intellectual disabilities, which is consistent with other statutes in chapter 82.65A.

RCW's 84.36.041, 84.38.030, and 84.39.010 are amended to clarify the meaning of the term disability for purposes of the property tax exemption for nonprofit homes for the aging, the senior citizen/disabled person property tax deferral, and the property tax grant program for widows and widowers of veterans. More specifically, these sections:

- clarify that the term disability for purposes of these property tax programs is not limited to physical disabilities; and
- align the definition of disability for these programs with the definition of disability for the senior citizen/disabled person property tax exemption program.

County treasurers need not continue the property tax foreclosure process when a taxpayer pays all amounts due under a certificate of delinquency, except a lien for deferred property taxes that remain eligible for continued deferral:

- In 2013 DOR succeeded in getting legislation enacted to ensure that the state is entitled to be repaid for deferred property tax liens when a county sells or rents tax-title property – i.e. property acquired by a county for delinquent property taxes when the property goes unsold at the foreclosure sale.
- Staff from the treasurers' offices in Thurston and King counties recently questioned whether the treasurer could discontinue property tax foreclosure proceedings where the property owner paid all amounts due under a certificate of delinquency other than a lien for deferred property taxes.

It was never DOR's intent to allow the foreclosure of properties subject to a lien for deferred property taxes when the owner is still eligible for a continued deferral of taxes. These sections would codify this intent.

Part 4 – Taxability Matrix. Recent amendments to the Streamlined Sales and Use Tax Agreement (SSUTA) are implemented to:

- provide that when the taxability matrix is updated, sellers and certified service providers who relied on the prior taxability matrix are relieved from liability until the first day of the calendar month that is at least 30 days after DOR submits notice of the change to the taxability matrix to the SSUTA Governing Board; and
- expand the taxability matrix to include the state's practices in the administration of sales and use taxes as required under SSUTA.

Votes on Final Passage:

Senate	47	0	
House	97	0	

Effective: July 24, 2015

SSB 5276

C 174 L 15

Concerning refunds of property taxes paid as a result of manifest errors in descriptions of property.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Roach and Keiser).

Senate Committee on Government Operations & Security
Senate Committee on Ways & Means
House Committee on Finance

Background: A taxpayer may seek a property tax refund on any of several specified grounds. Grounds for refunds include taxes paid as a result of a manifest error in a description of property that is taxed, such as an error in the square footage description of a building. A taxpayer must seek a refund within three years of the tax due date. To correct a manifest error, a county assessor or treasurer may cancel or correct tax records up to three years preceding the year in which the error is discovered.

Prior to 2009, a county legislative authority could authorize refund of property taxes paid more than three years after the tax due date. A 2009 act deleted that authority.

Summary: A county legislative authority may authorize a property tax refund on a claim filed more than three years after the tax due date for taxes paid as a result of a manifest error in a description of property. On that basis, a county assessor or treasurer may cancel or correct tax records more than three years preceding the year in which the error is discovered, to refund or reduce taxes for a property owner.

Votes on Final Passage:

Senate	44	0	
House	96	2	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SSB 5280

C 192 L 15

Concerning the sale of beer and cider by grocery store licensees.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Kohl-Welles, Braun and Warnick).

Senate Committee on Commerce & Labor
Senate Committee on Ways & Means
House Committee on Commerce & Gaming
House Committee on General Government & Information Technology

Background: The Liquor Control Board (LCB) is the lead agency responsible for the licensing of businesses that sell spirits, beer, and wine.

Certain licensees are authorized to sell beer and cider in sanitary containers (growlers) brought to the premises

by the purchaser to be filled at the tap at the time of sale. The following businesses, holding the proper licenses or endorsements, are authorized to sell beer and cider in growlers: (1) domestic breweries; (2) microbreweries; (3) beer and wine retailers; (4) beer or wine specialty shops; (5) restaurants; and (6) hotels. Except for hotels, the sales are only permitted for off-premises consumption.

A class 12 alcohol server permit for managers or bartenders requires completion of a course certified by the LCB. Curriculum includes subjects such as the physiological effects of alcohol, liability and legal information, driving while intoxicated, effective intervention, methods for checking proper identification, and Washington laws.

Summary: A grocery store licensee that exceeds 50 percent beer and wine sales as a percentage of total sales or maintains an alcohol inventory of not less than $15,000 may, with LCB approval, receive an endorsement to sell beer or cider in growlers. The growlers may be brought to the grocery store by the purchaser or provided by the licensee or manufacturer and must be filled at the tap at the time of sale by an employee with a class 12 alcohol server permit.

Electronic benefit transfer cards may not be used in a licensed grocery store to purchase beer or cider in a growler.

LCB may adopt rules and establish fees to implement the grocery store licensee provisions. The rules may include the regulation of the sale of beer or cider or the sizes of containers that may be filled.

Votes on Final Passage:

Senate	38	10	
House	67	30	(House amended)
Senate	35	12	

Effective: July 24, 2015

SB 5288
C 175 L 15

Concerning expiration dates related to real estate broker provisions.

By Senators Braun and Conway.

Senate Committee on Commerce & Labor
House Committee on Business & Financial Services
House Committee on General Government & Information Technology

Background: Washington Center for Real Estate Research. The Washington Center for Real Estate Research was established in 1989 by the Washington State University (WSU) Board of Regents to provide continuing research, education, and technical assistance to licensed real estate brokers and salespersons, educational institutions, state and local governments, the real estate industry, and the general public.

Center's Original Funding. Originally, the center was supported by money from WSU, the Washington Real Estate Commission, and other individuals and organizations. For the 1997-99 biennium, the center was operating under an agreement with the Department of Licensing with funds from the real estate education account that is funded by interest earned on real estate broker trust accounts.

Washington Real Estate Research Account Created in 1999. In 1999 the Washington real estate research account (account) was created in the state treasury. This account was funded through a $10 fee assessed on each real estate broker originally licensed after October 1, 1999, and on each license renewal for licenses expiring after October 1, 1999. Expenditures from the account may be used only to support a real estate research center in Washington. The account is subject to appropriation.

Center's Purpose. The statutory purpose of the Washington real estate research center is to provide credible research, value-added information, education services, and project-oriented research to real estate licensees, real estate consumers, real estate service providers, institutional customers, public agencies, and communities in Washington State and the Pacific Northwest region.

Provisions Expire in 2015. The fee assessment provisions and the provision authorizing the establishment of a real estate research center in Washington were originally due to expire September 30, 2005. These provisions were extended twice to 2010 and 2015.

Summary: The expiration date for the $10 assessment required for the original issuance and the renewal of licenses for real estate brokers and managing brokers, and for the provision authorizing the establishment of a real estate research center in Washington are extended until September 30, 2025.

Votes on Final Passage:

Senate	46	2
House	96	2

Effective: July 24, 2015

SSB 5292
C 193 L 15

Protecting children and youth from powdered alcohol.

By Senate Committee on Law & Justice (originally sponsored by Senators Roach, Billig, Hasegawa and Benton).

Senate Committee on Law & Justice
House Committee on Commerce & Gaming

Background: A manufacturer plans to market an alcohol product made with a starch – cyclodextrin – that binds alcohol in a dry powder. Consumers add water to the powder to release the alcohol. Powdered alcohol poses health and safety risks to children and youth. The U.S. Alcohol Tobacco and Trade Bureau must approve the alcohol-based product for sale.

Washington laws regulate liquor sales and possession, but powdered alcohol may fall outside current state liquor control laws. These laws prohibit liquor sales to minors. Currently at least six states limit powdered alcohol sales. The states are Alaska, Colorado, Delaware, Louisiana, South Carolina, and Vermont. Lawmakers in Minnesota, New Jersey, New York, and Ohio are considering similar laws.

Summary: Powdered alcohol is defined to mean any powder or crystalline substance containing alcohol that is produced for direct use or reconstitution. The possession, sale, and use of powdered alcohol is prohibited in Washington and is subject to prosecution as a misdemeanor except for certain bona fide research purposes.

Votes on Final Passage:

Senate	48	0	
House	91	6	(House amended)
Senate	45	0	(Senate concurred)

Effective: May 7, 2015

SSB 5293

C 113 L 15

Concerning the use of hydrocodone products by licensed optometrists in Washington state.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Keiser, Rivers, Conway, Dammeier, Hobbs, Angel, Frockt, Bailey, Ericksen, Mullet and Benton).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Drug Schedules. Drugs and other substances that are considered controlled substances under the Controlled Substances Act are divided into five categories:

- Schedule I controlled substances are those that have no currently acceptable medical use in the United States.
- Schedule II substances have a high potential for abuse, such as cocaine or Ritalin, which may lead to severe psychological or physical dependence.
- Schedule III drugs, substances, or chemicals are drugs with moderate to low potential for physical and psychological dependence.
- Schedules IV and V controlled substances have low potentials for abuse.

Hydrocodone Classification. Hydrocodone is an opiate analgesic typically combined with other ingredients in products used to relieve moderate to severe pain. Federal law classified combination products with less than 15 milligrams of hydrocodone per dosage unit, e.g. Vicodin, as Schedule III narcotics. Products with 15 or more milligrams of hydrocodone per dosage unit were classified as Schedule II narcotics. In October 2014, the Drug Enforcement Administration rescheduled all hydrocodone combination products as Schedule II narcotics.

Optometrists and Controlled Substances. Optometrists examine the human eye for defects in vision and, after completing required didactic and clinical instruction, may use certain topical and oral drugs for diagnostic and treatment purposes. No optometrist may prescribe, dispense, purchase, possess, or administer drugs classified as Schedule III through V controlled substances, except as permitted by the Optometry Board of Washington for the treatment of diseases and conditions related to the human eye.

An optometrist may prescribe, dispense, or administer authorized controlled substances for up to seven days to treat a particular patient for a single trauma, episode, or condition, or for associated pain. Optometrists may not use, prescribe, dispense, purchase, possess, or administer any Schedule I or II controlled substance

Summary: Optometrists may use, prescribe, dispense, purchase, possess, or administer Schedule II hydrocodone combination products. The Board of Optometry may include Schedule II hydrocodone combination products in its list of approved oral controlled substances and oral legend drugs.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 24, 2015

SSB 5294

C 27 L 15

Concerning school library and technology programs.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, Litzow, Kohl-Welles, Hasegawa and Chase).

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

Background: School-library media programs and teacher-librarians support a variety of academic goals and standards. School-library media programs are school-based programs staffed by a certificated teacher-librarian that provide resources to support student mastery of the state essential academic learning requirements in all subject areas and implementation of the district school improvement plan. Teacher-librarians are certificated instructional staff who hold a library media endorsement under rules adopted by the Professional Educator Standards Board. By statute, teacher-librarians must partner with other teachers and staff to help students meet content goals in all subject areas, and they assist high school students to complete their culminating project and High School and Beyond plans required for graduation.

School board directors must provide for the operation and stocking of school-library media programs as the board deems necessary for the proper education of the district's students, or as required by law or rule.

Summary: School library media programs are renamed to school library information and technology programs, and school boards must provide resources and materials to operate such programs as the board deems necessary for the proper education of students or as otherwise required by law or rule.

The duties of teacher-librarians are listed, which may include but are not limited to the following:

- integrate information and technology into curriculum and instruction;
- provide information management instruction to students and staff about how to effectively use emerging learning technologies for school and lifelong learning;
- help teachers and students efficiently and effectively access the highest quality information available while using information ethically;
- instruct students in digital citizenship, including how to be critical consumers of information;
- provide guidance about thoughtful and strategic use of online resources; and
- create a culture of reading in the school community by developing a diverse, student-focused collection of library materials that ensures all students can find something of quality to read, and by facilitating school-wide reading initiatives while providing individual support to students.

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: July 24, 2015

SSB 5296

C 28 L 15

Concerning regulation of locksmith services.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Conway, King, McAuliffe, Hasegawa and Chase).

Senate Committee on Commerce & Labor
House Committee on Business & Financial Services

Background: The Consumer Protection Act (CPA) prohibits unfair or deceptive practices in commerce. The CPA may be enforced by private legal action or through a civil action by the Attorney General. False advertising and false representation may constitute unfair and deceptive practices.

Summary: A locksmith cannot misrepresent the locksmith's geographic location by:

- listing a local telephone number in a local telephone directory or on an Internet website if calls to the number are routinely forwarded to a location outside the calling area covered by the directory and the listing does not conspicuously disclose the business' locality and state; or
- listing a business name in a local telephone directory or on an Internet website if the name misrepresents the geographic location of the business and the listing fails to disclose the locality and state of the business.

These misrepresentations are unfair and deceptive acts under the CPA.

Locksmiths must conspicuously display either the business license number or the unified business identifier account number on the business website and all advertising.

These provisions apply to those whose primary business is providing locksmith services and who represent himself or herself to the public as locksmiths.

Votes on Final Passage:

Senate	49	0
House	91	6

Effective: July 24, 2015

SB 5297

C 228 L 15

Updating and clarifying statutory provisions within the commercial vehicle registration and fuel tax administrative systems.

By Senators Liias, Fain, King and Hobbs; by request of Department of Licensing.

Senate Committee on Transportation
House Committee on Transportation

Background: The Department of Licensing (DOL) administers and collects the majority of State transportation revenues, including administration of the International Registration Plan (IRP). IRP is an international program that allows commercial vehicles registration reciprocity among states and Canadian provinces. It also facilitates uniformity of laws regarding the registration of interstate commercial vehicles and provides each jurisdiction with a prorated share of fees based on distance traveled and weight. In order for states to be eligible to receive certain federal transportation funds they must participate in IRP.

In 2013 Substitute House Bill 1883 passed, which was requested by DOL to consolidate and streamline the law related to fuel tax administration and collection. Among the various changes made, the Aeronautics Account was inadvertently repealed. This law takes effect July 1, 2015.

Summary: Terms and definitions are updated and obsolete language is removed to conform to IRP standards, the Federal Motor Carrier Safety Administration guidelines, and fuel tax statues. Record retention requirements regarding the owner of a vehicle that is registered in IPR are changed from four years to three years. The penalty for failing to comply or to produce documents that are requested by DOL are defined as assessments of 20 percent of the apportionable fees found to be due for a first offense and up to 100 percent for a third offense.

The Aeronautics Account is reinstated.

Votes on Final Passage:

Senate	48	0	
House	83	14	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 1, 2016 (Sections 1-27, 29, and 38)
July 1, 2015 (Sections 28, 39, and 41)

SSB 5299

C 229 L 15

Updating, clarifying, and strengthening department of financial institutions' enforcement, licensing, and examination statutes relating to residential mortgage lending, and enhancing the crime of mortgage fraud in the residential mortgage lending process.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Benton, Mullet, Fain, Darneille, Hobbs, Angel and Conway; by request of Department of Financial Institutions).

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services

Background: Escrow Agent Registration Act. An escrow agent is a neutral third party that may hold funds or documents or other things of value until the occurrence of a specified event or the performance of a prescribed condition. The escrow agent acts for the purpose of effecting or closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another. Escrow agents must be licensed by the Department of Financial Institutions (DFI).

The applicant for an escrow agent license must include, among other things, the qualifications and the business history of the applicant and all of its officers, directors, owners, partners, and controlling persons; whether the applicant has been convicted of any crime within the preceding ten years; and evidence of compliance with the bonding and insurance requirements.

Mortgage Fraud. In 2007 the Task Force for Homeowner Security (task force) convened to evaluate instability in the mortgage market and minimize the impact in Washington. The task force made several recommendations, including increasing the penalties for mortgage fraud. Many of the task force's recommendations were enacted in 2008.

It is a criminal offense to engage in deceptive practices in connection with making, brokering, obtaining, or modifying a residential mortgage loan. A person commits mortgage fraud if the person materially misleads any borrower or lender during the lending process; knowingly makes any misstatement, misrepresentation, or omission during the mortgage lending process, knowing that it may be relied on by the mortgage lender, borrower, or any other party to the process; or receives proceeds or anything of value in connection with a residential mortgage closing that such person knew resulted from a prohibited misstatement, misrepresentation, or omission. The offense of mortgage fraud is a class B felony, which carries a maximum sentence of ten years and a $20,000 fine.

Mortgage Broker Practices Act. The Mortgage Broker Practices Act (MBPA), codified in RCW 19.146, establishes a regulatory and licensing structure for mortgage brokers that is overseen by DFI. A mortgage broker is any person who assists a person in obtaining or applying to obtain a residential mortgage loan or performs residential mortgage loan modification services or who holds himself or herself out as performing such services and does so for direct or indirect compensation.

Under MBPA, mortgage brokers must fully disclose the terms of loans, ensure that mortgage broker fees collected for third-party service providers are placed into bank trust accounts, and refrain from engaging in unfair and deceptive acts and practices.

A mortgage broker licensee must provide the Director of DFI (Director) with an annual report of its mortgage broker activity. The Director may, by rule, create a schedule and format for the annual report. A loan originator may only take an application on behalf of one mortgage broker at a time, and the mortgage broker must be clearly identified on the application.

Consumer Loan Act. The Consumer Loan Act (CLA) authorizes DFI to regulate consumer loan companies who conduct business in Washington, and it governs the licensing of mortgage loan originators. Consumer loan companies include mortgage lenders and consumer finance companies. A mortgage loan originator is an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan.

CLA limits the rates and fees lenders may charge on loans, restricts certain loan provisions such as prepayment penalties, requires lenders to fully disclose the terms of loans, and prohibits lenders from engaging in unfair and deceptive acts and practices.

A violation of either MBPA or CLA is a violation of the Washington Consumer Protection Act.

Summary: Escrow Agent Registration Act. The Director may waive the licensing provisions for escrow agents if the Director determines it necessary to facilitate commerce or protect consumers.

Mortgage Fraud. Mortgage lending process and residential mortgage loan modification are defined to include a broad range of activities and documents involved in the lending process. Filing a false document with the county recorder or official registrar of deeds of any county of this state constitutes mortgage fraud and is a class B felony.

Venue for an action for a mortgage fraud proceeding may be brought:

- in the county in which the residential property for which the mortgage loan being sought is located;
- in any county in which any act was performed in furtherance of the violation; or
- in any county in which a document containing a misstatement, misrepresentation, or omission was filed.

A person who engages in mortgage fraud activities is also liable for civil damages in the greater amount of $5,000 or actual damages, including costs to repair the victim's credit and quiet title on the residential property, and reasonable attorney fees. In a proceeding where there has been a conviction for mortgage fraud, the sentencing court may issue orders as necessary to correct the public record containing any false information as a result of the criminal action.

Mortgage Broker Practices Act. Licensee is defined to include a person who failed to obtain a license. A nonprofit housing organization brokering residential mortgage loans under housing programs funded in whole or in part by federal or state programs with the primary purpose of providing housing for low-income residents is exempt from the provisions of the MBPA.

It is a violation of the MBPA for any person subject to the act to:

- originate loans from any unlicensed location;
- solicit or accept from any borrower at or near the time a loan application is taken, and in advance of any foreclosure of the borrower's existing residential mortgage loan or loans, any instrument of conveyance of any interest in the borrower's primary dwelling that is the subject of the residential mortgage loan; or
- make a residential mortgage loan unless the loan is table funded – a loan is table funded when the mortgage broker is named on the mortgage or promissory note as the lender, but is immediately sold to a lender who will provide the actual funding.

The Director may recover the state's costs and expenses for prosecuting violations of MBPA, including staff time spent preparing for and attending administrative hearings and reasonable attorneys' fees, unless, after a hearing, the Director determines no violation occurred. A cease and desist order issued against a licensee may direct the licensee to discontinue any violation and take necessary affirmative action; include a summary suspension of the licensee's license; and order the licensee to immediately cease the conduct of business under the MBPA.

RCW 19.146.290 – requiring a licensee to provide the Director with an annual report of mortgage broker activity, and RCW 19.146.330 – limiting the number of applications taken by a loan originator, are each repealed.

CLA. Any person selling bare property owned by that person who provides financing for the sale when the property serves as security for the financing is exempt from the provisions of CLA if the person engages in five or fewer transactions in a calendar year and is not in the business of constructing homes on the property. A surety bond provided by an applicant for licensing under CLA must be continuous and may be cancelled only upon 45 days written notice of intent to cancel provided to the Director.

In lieu of suspending or revoking a license under CLA, the Director may allow the licensee to have a conditional license to allow the licensee to continue business activities. The Director has the authority to condition, revoke, or suspend only the particular license which is the subject of the violation, or may take action with regard to all licenses issued to the licensee.

A residential mortgage loan services licensee must maintain liquidity, operating reserves, and net worth as determined by the Director. The Director may initiate action if the licensee fails to maintain appropriate liquidity levels. Upon application by the Director, the superior court may appoint a receiver to take over any residential mortgage loan servicer.

Several provisions are amended for consistency with MBPA including:

- affiliate, licensee, loan, and mortgage loan originator are defined;
- the Director may recover the state's costs and expenses for prosecuting violations of CLA; and
- the Director may deny an application for a mortgage loan originator license if the applicant has been convicted of a gross misdemeanor involving dishonesty or financial misconduct.

Technical language throughout is amended and updated.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 24, 2015

SB 5300
C 114 L 15

Updating the department of financial institutions' regulatory enforcement powers regarding credit unions and organizations providing services to credit unions.

By Senators Benton, Mullet, Fain, Darneille, Hobbs and Angel; by request of Department of Financial Institutions.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services

Background: Credit unions doing business in Washington may be chartered by the state or federal government. The National Credit Union Administration (NCUA) regulates federally chartered credit unions. The Department of Financial Institutions (Department) regulates state-chartered credit unions.

Credit Union Governance and Practices.

- *Board of Directors and Supervisory Committee.* A state-chartered credit union is governed by a board of directors and a supervisory committee, which monitors the financial condition of the credit union and the decisions of the board.
- *Special Membership Meetings.* A special membership meeting may be called by a majority of the board, a majority vote of the supervisory committee, or upon written application of at least 10 percent or 2000 members of a credit union, whichever is less. Notice of a special membership meeting for removal of a director must state the director's name. Various other provisions call for meetings to be held 30, 60, or 90 days after notice.
- *Merger – Creditor's Claims.* When two credit unions merge, one credit union's corporate entity ceases to exist (merging credit union) while the other survives (continuing credit union). The continuing credit union must cause a notice of merger to be published once weekly for three consecutive weeks in a county general circulation newspaper. Creditors' claims against a merging credit union not known by the continuing credit union may be barred if no claim is made within 30 days of the last date of publication of the merger notice.
- *State-Chartered versus Federally Chartered Credit Unions.* A state-chartered credit union has all the powers and authorities that a federally chartered credit union had on July 22, 2001. A state-chartered credit union may merge or convert into a federally chartered credit union by a two-thirds majority vote at a membership meeting.
- *Investment Authority.* A credit union may invest in a variety of investments, including key person insurance policies and up to 5 percent of the capital in debt or equity issued by an organization owned by the Washington Credit Union League.
- *Out-of-State or Foreign Credit Unions.* Out-of-state or foreign credit unions may not operate a branch in Washington without the director's approval.
- *Low-Income Credit Union – Based on Individual Earnings.* A state-chartered credit union may apply to the director for the designation as a low-income credit union if at least 50 percent of a substantial and well-defined segment of its members or potential members earn no more than 80 percent of the state or national median income, whichever is higher, and it meets other criteria. Low-income credit union powers are expanded to include issuing secondary capital accounts and accepting shares and deposits from nonmembers.
- *Credit Union Service Organizations.* Credit unions may own or contract with entities performing services for them, called credit union service organizations.

Enforcement. The Department may use various enforcement tools and actions, including removing or suspending officers, directors, or supervisory committee members; issuing temporary cease and desist orders; assessing fines; inspecting records and business practices; and liquidating a credit union or taking it into receivership. Within ten days after the receiver takes possession of a credit union's assets, the credit union may serve notice upon the receiver to appear in court to show cause why the credit union should not be restored to the possession of its assets. The court must dismiss the complaint if it finds that the receiver was appointed for cause. If the court finds that no cause existed, the court must require that the receiver restore the credit union to possession of its assets.

Summary: Credit Union Governance and Practices.

- *Special Membership Meeting.* A special membership meeting may be called by unanimous vote of the supervisory committee for removal of a board member. Notice of a special membership meeting for removal of a supervisory committee member must state the supervisory committee member's name. All special membership meetings must be held within 90 days of the request or a suspension. The supervisory committee's ability to suspend members of other committees until a membership meeting is eliminated.
- *Merger – Creditor's Claims.* The law is clarified that creditors' claims against a merging credit union not known by the continuing credit union are barred if no claim is made within 30 days of the last date of publication of the merger notice.
- *State-Chartered versus Federally Chartered Credit Unions.* A state-chartered credit union has the powers and authorities that a federally chartered credit

union has on the effective date of this act. A state-chartered credit union may merge or convert into a federally chartered credit union by a simple majority vote, unless otherwise provided in its bylaws.

- *Investment.* In addition to other investment options, a credit union may invest capital in debt or equity issued by an organization owned by the Northwest Credit Union Association or its successor association and in products relating to employee benefits.
- *Use of Credit Union Term.* No person or entity may hold itself out as a credit union or use the term in communications unless it is actually a state-chartered or federally chartered credit union, or an out-of state or foreign credit union.
- *Low-Income Credit Union – Expanded to Household Income.* For the designation of low-income credit union, a low-income member means a member whose family income is not more than 80 percent of the median family income for the metropolitan statistical area or national metropolitan area where the member lives, whichever is greater, or a member or potential member who earns not more than 80 percent of the total median earnings for individuals for the metropolitan statistical area or national metropolitan area where the member lives, whichever is greater.

Enforcement.

- *Scope of Authority.* The Department has the power to take action against any person holding itself out as a credit union and may collect costs and attorneys' fees. The Department may examine the electronic data processing provider to a credit union service organization. The Department has authority to issue a temporary cease and desist order against a credit union or credit union service organization if a violation or practice is likely to cause an unsafe or unsound condition at the credit union or organization, or a substantial public injury.
- *Suspension and Removal of Persons Participating in Credit Unions or Financial Institutions.* The Department may serve a notice of charges to suspend a person from participating in a credit union. The notice remains in effect until it is stayed, dismissed, or an administrative proceeding decides the matter. The Department may serve a notice of intent to remove certain persons from participation in any depository or similar financial institution. The notice must contain the facts constituting grounds for removal and setting a hearing date not earlier than ten days after service and not later than 30 days after service. Failure to appear is deemed consent to an order of removal. An order of removal becomes effective ten days after service on the credit union and the person in question.
- *Restricting Withdrawals.* Upon a written finding, the Department may temporarily suspend or restrict withdrawal of deposits.
- *Involuntary Liquidation and Receivership.* A credit union seeking to enjoin the Department's order of involuntary liquidation or appointment of a receiver must serve notice on the Department within ten days after the order. The credit union has the burden to show why it should not be liquidated or brought into receivership. Failure to serve the notice in a timely fashion bars the credit union from judicial review of the Department's order.

Various other technical changes are made.

Votes on Final Passage:

Senate	49	0
House	77	19

Effective: July 24, 2015

SB 5302

C 115 L 15

Addressing the prudent investor rule for Washington state trusts, delegation of trustee duties by trustees of a Washington state trust, and standards for authorization and treatment of statutory trust advisors and directed trustees incident to the establishment of Washington state directed trusts.

By Senators Benton and Mullet; by request of Washington State Bar Association.

Senate Committee on Financial Institutions & Insurance
House Committee on Judiciary

Background: A trust is a form of ownership of property that separates responsibility or control of the property from the benefits of ownership. A trust is created by a trustor, who transfers the property to a trustee. The trustee holds legal title to the property and manages the property for the benefit of the beneficiaries.

Delegation. A trustee has many powers provided in statute. In exercising these powers, the trustee may employ other persons (a delegate) to advise or assist the trustee or to perform any act. The trustee may not delegate all of the trustee's duties and responsibilities; must use reasonable care in selecting and retaining the delegate; and is not relieved from liability for the delegate's acts.

Trust Investments. The trustee is a fiduciary with respect to a trust. In investing, a fiduciary must consider the role that the proposed investment or investment course of action plays within the overall portfolio of assets. In applying the total asset management approach, the fiduciary must exercise the judgment and care that a prudent person would exercise in the management of the fiduciary's own

affairs and consider a number of factors. A fiduciary who has special skills is under a duty to use those skills.

Summary: Delegation by Trustee. A trustee may prudently delegate the trustee's duties and powers provided the trustee takes reasonable care, skill, and caution in (1) selecting a delegate, (2) establishing the scope and terms of the delegation, (3) reviewing and monitoring the delegate's performance, and (4) enforcing the delegate's duties. If the trustee acts with that reasonable care, the trustee is not liable for the delegate's actions. A delegate owes a duty to the trustee to exercise reasonable care and the trustee has a duty to require the delegate to account for the delegate's actions. By accepting the delegated duties, the delegate, wherever domiciled, is subject to the jurisdiction of Washington courts.

Washington Directed Trust Act – Opt In. The Washington Directed Trust Act (act) is created and applies to a trust only if (1) a will, trust instrument, court order, power of appointment, or agreement (the governing instrument) specifically calls for the act's application and (2) the trust situs is Washington State. The act allows a trustor to direct specific functions to third-parties – statutory trust advisors and directed trustees, rather than conferring all authority, duties, and liability upon the trustee.

Statutory Trust Advisor-Defined, Powers, Duties, and Compensation. A statutory trust advisor (advisor) is a person, including a trust advisor, special trustee, trust protector, or committee who is expressly called for under the terms of a governing instrument. The advisor has the power or duty to direct, consent to, or disapprove an action, or has the power or duty that would normally be required of a trustee. The advisor's powers and duties include the power to:

- direct trust investments;
- direct a trustee to make or withhold distributions to beneficiaries;
- consent to a trustee's action or inaction relating to investments and distributions;
- increase or decrease any interest of any beneficiary;
- grant, terminate, or amend a power of appointment to beneficiaries;
- modify or amend the governing instrument with respect to tax and other legal matters;
- appoint or remove a successor trustee, trust advisor, or statutory trust advisor, as allowed in the governing instrument; and
- change the governing law or principal place of administration of the trust.

The advisor has the fiduciary duty to act in accordance with the trust terms and solely in the beneficiaries' interests, and must act in good faith and with honest judgment. The advisor has no duty to monitor the administration of the trust to determine whether the power should be exercised except upon request of the trustee or a qualified beneficiary. The advisor is entitled to reasonable compensation.

Remedies Against an Advisor, Court Matters. If an advisor breaches or threatens to breach a fiduciary duty, a trustee or beneficiary may file an action. An advisor who breached a duty is liable for the greater of (1) the amount lost because of the breach; or (2) the profit made from the breach. The court may excuse an advisor from liability if the advisor acted reasonably and in good faith under the circumstances known to the advisor. The statute of limitations on claims against a statutory trust advisor is generally three years from when a report adequately disclosing the existence of a potential claim and time allowed for making the claim was delivered. By accepting the appointment the advisor submits to the jurisdiction of Washington courts even if the investment advisory or other agreements provide otherwise.

Advisor Vacancies, Duty to Inform, and Report. If there is a vacancy, the trustee may act until a new advisor is appointed; however, a trustee is not liable for failing to act for 60 days from the date the trustee learns of the vacancy. The trustee may petition the court to fill a vacancy if required to be filled under the governing documents. The advisor must: (1) keep the trustee and the qualified beneficiaries reasonably informed; (2) provide the trustee with requested information; and (3) promptly provide a requesting qualified beneficiary with information reasonably necessary to enable the beneficiary to enforce their rights under the trust with respect to the advisor.

Directed Trustee – Defined, Liability, Statutory Trust Advisor Actions. A directed trustee is a trustee who, with respect to a particular duty or function, must follow the direction of a statutory trust advisor; may not undertake the duty or function without a statutory trust advisor's direction; or must obtain the consent of a statutory trust advisor. A directed trustee is not liable for any loss resulting from (1) following the statutory trust advisor's direction or from actions taken with the advisor's consent; (2) certain actions or inaction of the statutory trust advisor; or (3) a failure to take any action proposed by the directed trustee that requires the statutory trust advisor's prior consent, if the directed trustee sought in timely fashion, but did not obtain the consent. A directed trustee has no duty to monitor, advise, or take other action with respect to the statutory trust advisor.

Trust Investments. The trustee's duties with respect to investment is modified to a Portfolio Management Theory. The trustee must invest and manage the assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances using reasonable care, skill, and caution. The decisions must be evaluated based on the entire trust portfolio and as part of an overall investment strategy with risk and return objectives reasonably suited to the trust. The trustee must consider a number of factors. The trustee must use reasonable

efforts to verify certain facts. A trustee who has special skills is under a duty to use those skills.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

SB 5307

C 230 L 15

Concerning deficit reimbursement agreements with counties owning and operating ferry systems.

By Senators O'Ban, Ranker and Dammeier.

Senate Committee on Transportation
House Committee on Transportation

Background: The Washington State Department of Transportation is allowed to enter into agreements to reimburse Pierce, Skagit, and Whatcom counties for up to 50 percent of any deficit incurred during the previous fiscal year in the operation and maintenance of a ferry system that is owned and operated by one of these three counties. The combined amount of ferry deficit reimbursement to Pierce, Skagit, and Whatcom counties is capped at $1 million per biennium. The funding source for ferry deficit reimbursement is the portion of the motor vehicle fund that is distributed directly to counties.

Summary: The combined total amount of reimbursement to Pierce, Skagit, and Whatcom counties for any deficit incurred in the operation and maintenance of a ferry system is increased by $800,000 to $1.8 million in the 2015-17 biennium. The amount of deficit reimbursement is indexed to the fiscal growth factor for future biennia.

The fares charged by the counties must be at least equal to the fares in place on January 1, 2015; however, fare surcharges are not part of this calculation.

Votes on Final Passage:

Senate	48	0	
House	67	31	(House amended)
Senate	43	2	(Senate concurred)

Effective: July 24, 2015

SB 5310

C 39 L 15 E 3

Addressing enforcement actions at facilities sited by the energy facility site evaluation council.

By Senators Ericksen, McCoy, Sheldon, Honeyford, Ranker and Cleveland; by request of Energy Facilities Siting and Evaluation Council.

Senate Committee on Energy, Environment & Telecommunications
House Committee on Technology & Economic Development

Background: Energy Facility Site Evaluation Council (EFSEC). Created in 1970, EFSEC is the permitting and certificating authority for the siting of major energy facilities in Washington. An EFSEC site certification agreement (SCA) authorizes an applicant to construct and operate an energy facility in lieu of any other permit or document required by any other state agency or subdivision. As part of the SCA process, EFSEC issues all state and federal air and water-discharge permits.

EFSEC Members. EFSEC is comprised of a chair appointed by the Governor, and representatives from five state agencies: the departments of Commerce, Ecology, Fish and Wildlife, and Natural Resources, and the Utilities and Transportation Commission. Four other departments may each choose to participate in EFSEC for a particular project: Agriculture, Health, Transportation, and Military. Finally, local governments must also appoint members to EFSEC for the review of proposed facilities located in their jurisdictions.

EFSEC Jurisdiction. EFSEC's siting jurisdiction includes nuclear power plants of any size and thermal electric power plants with a generating capacity of 350 megawatts or greater. Energy facilities of any size that exclusively use alternative energy resources, such as wind power, can also opt into the EFSEC review and certification process.

Enforcing Permits in the SCA. EFSEC has the regulatory authority to enforce compliance with conditions in the SCA through fines or by ceasing construction or operation of the facility. A violation of a permit issued by EFSEC can be enforced by a fine up to $5,000 per day. A similar permit issued by the Department of Ecology (Ecology), however, is enforceable by a fine up to $10,000 per day. Unlike Ecology, EFSEC does not have authority to levy an additional fine of up to $100,000 per day for discharges of oil on the state's waters, and it is not clear that Ecology has authority to impose this fine on facilities that possess an SCA.

Summary: Raises the Maximum Penalty Amount EFSEC May Impose on Permit Violators. The maximum daily fine EFSEC may impose for a permit violation is raised from $5,000 per day to $10,000 per day, which equals Ecology's authority for violations of similar permits.

Clarifies that Ecology may Impose Oil-Discharge Fines on Facilities Certificated by EFSEC. Ecology is granted express authority to impose fines up to $100,000 per day on EFSEC-certificated facilities that illegally discharge oil on the state's waters.

Corrects Errors and Makes Other Clarifying Changes. Statutory references are corrected, types of permits are expressly listed, redundant language is removed, and the appeal process is clarified.

Votes on Final Passage:

Senate	47	0

Third Special Session

Senate	45	0
House	78	20

Effective: October 9, 2015

2SSB 5311
C 87 L 15

Requiring crisis intervention training for peace officers.

By Senate Committee on Ways & Means (originally sponsored by Senators Rolfes, O'Ban, Frockt, Darneille, Keiser, McCoy, Kohl-Welles, Hasegawa and Jayapal).

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Public Safety
House Committee on Appropriations

Background: Law enforcement officers, especially those assigned to patrol duty, respond to incidents involving persons in distress or in crisis. During these encounters, persons may behave unpredictably, or endanger themselves or others, due to mental illness, substance use, or other causes. Crisis intervention training helps officers recognize, understand, and respond effectively to high-risk behaviors during these events using strategies to reduce potential harm.

Summary: The Criminal Justice Training Commission (CJTC) must provide at least eight hours of crisis intervention training as part of the basic training academy for all new full-time law enforcement officers hired by general authority law enforcement agencies after July 1, 2017. After July 1, 2017, CJTC must also require that general authority peace officers complete two hours of annual crisis intervention training and pass a written exam to maintain their certification.

By July 1, 2021, all general authority peace officers certified before July 1, 2017, must receive crisis intervention training similar to the basic academy's eight-hour crisis intervention training. The Commission must make efforts to provide enhanced crisis intervention training, consisting of 40 hours using a curriculum developed and certified by CJTC to at least 25 percent of certified officers assigned to patrol duty. CJTC must adopt crisis intervention training standards by rule.

The act applies only if specific funding is appropriated in the budget.

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: July 24, 2015

SB 5314
C 231 L 15

Modifying the use of local storm water charges paid by the department of transportation.

By Senators Benton, Cleveland and King.

Senate Committee on Transportation
House Committee on Environment
House Committee on Transportation

Background: Under current law, local government utilities can charge the Washington State Department of Transportation (WSDOT) 30 percent of the rate for comparable real property for the construction, operation, and maintenance of storm water control facilities. Local government utilities must use these funds for storm water control facilities that directly reduce state highway storm water runoff impacts or implementation of best management practices that will reduce the need for such facilities. Local government utilities coordinate with WSDOT to develop a plan of expenditure for storm water charges each year, and report on the use of the charges assessed for the prior year.

The 2014 supplemental transportation budget temporarily expanded the types of storm water control facilities that local governments can address with the storm water charges received from WSDOT to include facilities that directly reduce runoff impacts, regardless of whether the impacts are related to state highways. Annual local government utility planning and reporting requirements on the use of storm water charges from WSDOT are currently suspended. These temporary changes are set to expire on June 30, 2015.

Summary: The types of storm water control facilities that local governments can address with the storm water charges received from WSDOT are expanded to include facilities that directly reduce runoff impacts, regardless of whether the impacts are related to state highways. The authority to use charges received prior to the effective date of the act for non-highway storm water runoff facilities is provided. Annual local government utility planning and reporting requirements on the use of storm water charges to WSDOT are eliminated.

Votes on Final Passage:

Senate	48	0
House	92	6

Effective: June 30, 2015

E2SSB 5315

C 1 L 15 E 3

Aligning functions of the consolidated technology services agency, office of the chief information officer, office of financial management, and department of enterprise services.

By Senate Committee on Ways & Means (originally sponsored by Senators Roach, Liias, McCoy, Pearson and Benton; by request of Office of Financial Management).

Senate Committee on Government Operations & Security
Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Office of the Chief Information Officer (OCIO). OCIO sits within the Office of Financial Management (OFM) and is responsible for the preparation and implementation of a strategic information technology (IT) plan and enterprise architecture (EA) for the state. OCIO, led by the Chief Information Officer (CIO), works toward standardization and consolidation of IT infrastructure, establishes standards and policies for EA, educates and informs the state on IT matters, evaluates current IT spending and budget requests, and oversees major IT projects, including procurements. The CIO is appointed by the Governor and subject to Senate confirmation.

Consolidated Technology Services (CTS). CTS provides a variety of technology-based services to state and local agencies including telecommunications and computing services; procurement of technology equipment through master contracts; and IT support functions such as server hosting and network administration, telephony, security administration, and email.

The Department of Enterprise Services (DES). DES, an executive branch agency, is tasked with providing products and services to support state agencies, other governmental entities, and nonprofits. DES provides various IT services to state agencies, including purchase of wireless devices and digital signature authority. DES also maintains and operates the state's central personnel-payroll system.

Summary: The functions of OCIO, CTS, and IT services within DES are consolidated in a new executive branch agency, the CTS Agency. The CIO serves as director of the Consolidated Technology Services Agency. The CIO's powers and duties include the following:

- developing statewide IT standards and policies, including policies for the acquisition, management, staffing, oversight, and disposition of information technology investments;
- developing statewide technical policies and procedures;
- approving standards for new or expanded telecommunications networks proposed by state agencies;
- providing direction concerning strategic planning goals and objectives;
- establishing standards for periodic state agency performance review;
- identifying and monitoring opportunities for savings and efficiencies in IT expenditures;
- developing statewide standards for purchases of IT networking equipment and services;
- establishing technical standards to facilitate information sharing, access, and interoperability of information systems; and
- oversight and management of significant IT investments.

Several IT revolving accounts are created, for the following specified purposes:

- the CTS revolving account, to be used for the acquisition of equipment, software, supplies, and services, and the payment of salaries, wages, and other costs related to those acquisitions;
- the statewide IT system development revolving account, to be used for the development and acquisition of enterprise IT systems;
- the statewide IT system maintenance and operations revolving account, to be used for maintenance and operations of enterprise IT systems;
- the shared IT system revolving account, to be used for development, acquisition, and maintenance of shared IT systems; and
- the OFM central service revolving account to be used to fund the budget, accounting, and forecasting functions at OFM.

Nonsubstantive updates are made to the statutory responsibilities of Office of Financial Management (OFM). Certain duties of the OFM are transferred to the Department of Transportation and DES.

A workgroup is created with DES, CTS, OCIO, the Legislative Evaluation and Accountability Program Committee, and legislative staff to review the central service model and chart of accounts of the agencies after the reorganization.

A taskforce is created to review and make recommendations on IT human resources issues. The Select Committee on Pension Policy is requested to review pension options for IT professionals.

Votes on Final Passage:

Senate	49	0

Third Special Session

Senate	46	0
House	87	11

Effective: October 9, 2015
July 24, 2015 (Sections 401-405, 409, 411, and 412)
July 1, 2015 (Sections 101-109, 201-224, 406-408, 410, 501-507, 601, and 602)

SSB 5317
C 8 L 15 E 1

Requiring universal screening and provider payment for autism and developmental delays for children in medicaid programs.

By Senate Committee on Health Care (originally sponsored by Senators Frockt, Becker, Mullet, Miloscia, Jayapal, Dammeier, Kohl-Welles, Litzow, Pedersen, Hatfield, Keiser, Darneille, Rivers, McAuliffe, Hasegawa, Rolfes, Conway and Chase).

Senate Committee on Health Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness

Background: The American Academy of Pediatrics released guidelines for the provision of providing health care services to infants, children, and adolescents, known as Bright Futures. Bright Futures guidelines have been supported by the US Department of Health and Human Services, Health Resources and Services Administration and were included in the Affordable Care Act as required preventive health services for group and individual health plans.

The Bright Futures guidelines include a schedule of recommended universal developmental and autism screenings. These include sensory screenings, developmental and behavioral health assessments, and physical examinations.

Medicaid programs are not required to follow the Bright Futures guidelines. However, Medicaid includes benefits under the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) for enrollees under 21 years of age. EPSDT covers health screening visits for developmental screening for children between 9 and 30 months. Screening for autism is covered when a child is 36 months of age or younger and is suspected of having autism. Following the Bright Futures guidelines would allow for two additional developmental screenings at 9 months and another between 24 and 30 months plus two autism screenings at 18 and 24 months.

The 2012 Legislature directed the Washington State Institute for Public Policy (WSIPP) to assess the costs and benefits of implementing the Bright Futures guidelines regarding the well-child visit schedule and universal screening for autism and developmental conditions. The WSIPP report, completed in January 2013, suggests children covered in Washington Medicaid may be under diagnosed with developmental conditions and delays compared with prevalence rates for national prevalence benchmarks.

Summary: Effective January 1, 2016, the Health Care Authority must require universal screening and provider payment for autism and developmental delays as recommended by the Bright Futures guidelines of the American Academy of Pediatrics, as they existed on the effective date of this act, subject to the availability of funds.

Votes on Final Passage:

Senate	44	0
First Special Session		
Senate	47	0
House	89	3

Effective: August 27, 2015

SSB 5322
C 88 L 15

Concerning conservation districts' rates and charges.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Hatfield, Hobbs and Honeyford).

Senate Committee on Agriculture, Water & Rural Economic Development
House Committee on Local Government
House Committee on Finance

Background: A conservation district (CD) is a governmental subdivision of the state, exercising public powers. However, it may not levy taxes or issue bonds.

Besides acceptance of gifts and grants, CDs are funded by one of two options, but not both.

Special Assessments. Special assessments are one funding option. Activities and programs to conserve natural resources are declared to be of special benefit to lands and may be used as the basis to impose special assessments. The special assessments are imposed by the county legislative authority of the county in which the CD lies and for periods not to exceed ten years each.

The supervisors of the CD, its governing body, must hold a public hearing on a proposed system of assessments. The supervisors then file the proposed system of assessments with the county legislative authority which then holds its public hearing. The findings of the county legislative authority are final and conclusive, specifically that both the public interest will be served and that the special assessments will not exceed the special benefit the land will receive from the CD's activities.

The system of assessments must (1) classify the lands within the CD based on the benefits incurred; (2) state an annual per-acre rate of assessment for each classification; and (3) indicate the total amount of special assessments proposed to be obtained from each classification. The assessment rate must be stated for each classification as either an annual per-acre amount up to $0.10 per acre or as a flat rate per parcel up to $5 per parcel, or up to $10 per parcel if the population of the county is over 1.5 million, plus a uniform annual rate per acre.

Rates and Charges. Rates and charges are the other funding option. These are approved by resolution of the county legislative authority. The CD may propose to the county legislative authority a system of rates and charges which the county may consider, in its discretion.

The CD's proposed system of rates and charges may consider any matters that present a reasonable difference as grounds for distinction including the income level of the people served, including senior citizens and the disabled; property used by nonprofit charities as defined in the federal tax law and the state corporations act; the character and use of the land; the benefits the land will receive; and the services the CD will furnish.

The assessment rate for rates and charges may be stated as either an annual per-acre amount up to $0.10 per acre or as a flat rate per parcel up to $5 per parcel, or up to $10 per parcel if the population of the county is over 1.5 million, plus an annual per-acre amount.

The populations of the following counties are over 480,000 and less than 1.5 million: Pierce, Snohomish and Spokane.

Summary: In setting its proposed system of rates and charges, a CD may consider the natural resource needs within the district and the capacity of the district to provide services, improvements, or both as reasonable differences justifying a distinction.

An intermediate tier of rates and charges is established. For counties with populations between 480,000 and 1.5 million the maximum per-parcel rate cannot exceed $10. For counties with populations of over 1.5 million – only King at this time – the maximum per-parcel rate is raised from $10 to $15.

Votes on Final Passage:

Senate	30	18	
House	65	32	

Effective: July 24, 2015

SSB 5328
C 212 L 15

Disseminating financial aid information.

By Senate Committee on Higher Education (originally sponsored by Senators Kohl-Welles, Bailey and Chase).

Senate Committee on Higher Education
House Committee on Higher Education

Background: The State Need Grant (SNG) program assists needy and disadvantaged students by offsetting a portion of their higher education costs. To be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently $58,500 for a family of four. Approximately 70,000 low-income recipients received SNG funds during the 2013-14 academic year. However, 33,500 students were unserved for one or more terms. The Legislature provided the SNG program $308 million for 2014-15.

In 2014 the Legislature passed SB 6358, requiring the community and technical colleges to provide financial aid application due dates and information on whether or not financial aid will be awarded on a rolling basis to admitted students at the time of their acceptance. The Legislature encouraged institutions of higher education to post financial aid application dates and distribution policies on their websites.

Summary: Public four-year institutions of higher education must provide financial aid application due dates and distribution policies on their websites, including whether financial aid is awarded on a rolling basis, for prospective and admitted students.

Votes on Final Passage:

Senate	49	0	
House	96	1	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 24, 2015

SB 5337
C 29 L 15

Modifying per diem rates for port district officers and employees.

By Senators Fraser and Pearson.

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

Background: In 1911 the Legislature authorized the Port District Act allowing citizens to create 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:

- acquisition of land, property, leases, and easements;
- condemnation of property and the exercising of eminent domain;
- development of lands for industrial and commercial purposes;
- imposition of taxes, rates, and charges;
- selling or otherwise conveying rights to property; and
- construction and maintenance of specified types of park and recreation facilities.

The port district is governed by a three-member board of commissioners elected to staggered six or four-year terms of office, with at least one commissioner being elected in each odd-year general election. Voters of a port district with a population of 500,000 or more may authorize increasing the size of the board of commissioners to five members.

Port commissioners have the authority to hire employees and set wages, salaries, and benefits. Employees, officers, and commissioners of port districts may be reimbursed for travel and other business expenses incurred on behalf of the port district. A port district must adopt a

resolution to establish regulations governing reimbursement for travel and other business expenses incurred by port officials and employees on behalf of the district. These regulations may establish that port officials and employees are paid per diem in lieu of actual expenses, but per diem cannot exceed $25 per day.

Summary: Per diem rates for port district officials and employees must not exceed the U.S. General Service Administration per diem rates.

Votes on Final Passage:

Senate	47	2
House	88	9

Effective: July 24, 2015

ESSB 5346

C 30 L 15

Providing first responders with contact information for subscribers of personal emergency response services during an emergency.

By Senate Committee on Health Care (originally sponsored by Senators Ranker, Mullet, Darneille, Liias, Conway, McAuliffe, Keiser and Chase).

Senate Committee on Health Care
House Committee on Public Safety

Background: Personal emergency response systems, or medical emergency response systems, let a person call for help in an emergency by pushing a button in a small transmitter that can be worn around a person's neck, on a wristband or belt, or in a pocket. Many private companies offer personal emergency response systems, such as Life Alert or Lifeline. Most systems are programmed to telephone an emergency response center when activated.

The 2014 Legislative budget directed the Department of Social and Health Services (DSHS) to contract with the Area Agencies on Aging to convene a workgroup of first responders and companies providing personal emergency response services to develop a proposal to share information with first responders in the event of a long-term power or telecommunications outage. The workgroup provided a report to the Legislature in November. The analysis concluded that there were no concerns related to the federal Health Insurance Portability and Accountability Act (HIPAA), and any liability concerns could be addressed with language related to the public duty doctrine. DSHS has modified contracts for the 9000 individuals that receive personal response systems through Medicaid that require the companies to provide basic information to first responders in the event of an emergency.

The State Board of Health recently completed a Health Impact Review of a proposal to require companies providing life alert services to provide the location and known medical conditions of their customers when requested by first responders during an emergency. The research indicates a majority of customers using a personal emergency response system are vulnerable or at-risk and more likely to experience negative health outcomes during an emergency. The research indicated a proposal to share the customer information to inform emergency responses would likely have positive health impacts on customers.

The Health Impact Review of this legislation is available at the Washington State Board of Health's website: sboh.wa.gov/Portals/7/Doc/HealthImpactReviews/HIR-2015-04-SB5346-esum.pdf.

Summary: When requested by first responders during an emergency, employees of companies providing personal emergency response services must provide the name, address, and any other information necessary for the first responder to contact their subscribers. First responders mean firefighters, law enforcement officers, and emergency medical personnel. Emergency means an occurrence that renders the personal emergency response services system inoperable for a period of 24 hours or more, and that requires the attention of first responders.

Companies providing personal emergency response services may adopt policies to respond to requests from first responders that may include procedures to verify that the requester is a first responder and to verify the request is related to an emergency.

Information received by a first responder is confidential and exempt from public disclosure. The information may be used only in responding to the emergency that prompted the request for information. First responders receiving information must destroy it at the end of the emergency.

It is not a violation if a personal emergency response services company or employee makes a good faith effort to comply. The company or employee is immune from civil liability for a good faith effort to comply. Should a company or employee prevail in defense, the company or employee is entitled to recover expenses and reasonable attorneys' fees.

First responders and their employing jurisdictions are not liable for failing to request the information. This act does not create a private right of action nor any civil liability on the part of the state or any political subdivision.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

SSB 5348
C 232 L 15

Allowing public agencies to enter into contracts providing for the joint utilization of architectural or engineering services.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Miloscia and Chase).

Senate Committee on Government Operations & Security
House Committee on State Government

Background: Under the Interlocal Cooperation Act, public agencies are authorized to contract with one another to provide services either through cooperative action or when one or more agencies pay another agency for a service. Any power, privilege, or authority held by a public agency may be exercised jointly with one or more other public agencies having the same power, privilege, or authority.

A public agency, for purposes of interlocal agreements, includes any agency, political subdivision, or unit of local government. The term specifically includes municipal corporations, special purpose districts, local service districts, state agencies, federal agencies, recognized Indian tribes, and other states' political subdivisions.

Summary: Two or more public agencies may enter into a contract providing for the joint utilization of architectural or engineering services if the agency complies with the requirements for contracting for those services and the services provided to the other agency are related to the services the architectural or engineering firm is selected to perform.

Any agreement providing for the joint utilization of architectural or engineering services must be executed for a scope of work specifically detailed in the agreement and must be entered into prior to commencement of procurement of the services.

Votes on Final Passage:

Senate	44	3
House	86	12

Effective: July 24, 2015

E2SSB 5353
C 194 L 15

Concerning marketing opportunities for spirits produced in Washington by craft and general licensed distilleries.

By Senate Committee on Ways & Means (originally sponsored by Senator Angel).

Senate Committee on Commerce & Labor
Senate Committee on Ways & Means
House Committee on Commerce & Gaming

Background: A distillery and craft distillery may provide half-ounce or less samples of spirits of their own production, with a maximum total per person per day of two ounces.

Qualifying farmers markets are authorized to allow wineries to sell bottled wine and microbreweries to sell bottled beer at retail. The market may apply to the Liquor Control Board (LCB) for an endorsement to allow sampling of wine and beer from a domestic winery or microbrewery which is likewise authorized by the LCB for such sales and sampling. Up to a total of three wineries or microbreweries may offer samples at a farmers market per day. Food must be available for sampling customers. The annual fee for this endorsement is $75.

The LCB may issue a special permit to consume liquor at events such as banquets. The permit allows for the service and consumption at private, invitation-only gatherings held in a public place or business. The fee for the permit is $10 per day. The LCB does not issue banquet permits to retail liquor licensees.

Domestic and out-of-state wineries which have obtained a shippers' permit from the LCB are authorized to make direct shipments of wine to consumers. Packages must be clearly labeled to indicate that the package cannot be delivered to a person under 21 years of age or to an intoxicated person. The delivery carrier must obtain the signature of the person who receives the wine upon delivery, verify the recipient is 21 years of age or older, and verify that the recipient does not appear intoxicated at the time of delivery. Spirits retail licensees are authorized to ship spirits under rules adopted by the LCB.

There are no statutory provisions relating to the sale of gift certificates or gift cards by a licensee authorized to sell alcohol at retail.

Summary: Non-alcoholic mixers, water, and ice may be added to samples of spirits served by a distillery or craft distillery.

A distillery or craft distillery may apply for an endorsement to sell spirits of its own production at retail for off-premises consumption at a qualifying farmers market. A distillery may not provide tastings or samples of spirits at a farmers market.

A distillery or craft distillery may apply for a special permit to allow tasting and sell spirits at an event, not open to the public, at a specified date and place, which may include the licensee's premises. The permit fee is $10 and is limited to 12 events per distillery per year. The permit must be posted at the premises during the event.

The LCB's administrative rules on shipping spirits by retail licensees are clarified and codified. A licensed distillery or craft distillery may accept orders directly from and deliver spirits directly to customers if: (1) the spirits are not for resale; (2) the spirits come directly from the licensee's possession; (3) the spirits are ordered in person, by mail, telephone, or Internet, or similar method; and (4) only the licensee's direct employees accept and process the orders and payments. New distillery and craft distillery licensees must request Internet-sales privileges in their ap-

plication, and existing licensees must notify the LCB prior to making Internet sales. Deliveries may only be made to a residence or business, unless the LCB grants an exception. Residence includes temporary lodgings at a hotel, motel, marina, or similar lodging. Deliveries may be made between 6:00 a.m. and 2:00 a.m. The package labeling and delivery carriers must meet the same requirement as for shipping wine. Records and files must be maintained for each delivery sale. Internet websites must display the distillery or craft distillery's registered trade name. The licensee is accountable for all deliveries made on its behalf. LCB may impose administrative enforcement actions or suspend or revoke delivery privileges for violations of any condition, requirement, or restriction.

Any licensee authorized to sell alcohol at retail may sell gift certificates and gift cards which may be exchanged for consumer goods and services. The gift certificates and cards may be sold by third-party retailers. Gift certificates and cards may not be redeemed for alcohol by a person under the age of 21.

Votes on Final Passage:

Senate	40	9	
House	94	3	(House amended)
Senate	36	9	(Senate concurred)

Effective: July 24, 2015

ESSB 5355

C 8 L 15 E 3

Modifying the definition of resident student to comply with federal requirements established by the veterans access, choice, and accountability act of 2014.

By Senate Committee on Higher Education (originally sponsored by Senators Bailey, Kohl-Welles, Roach, Conway, Braun, Baumgartner, Rolfes, O'Ban, McAuliffe and Chase; by request of Governor Inslee).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Appropriations

Background: Washington Resident Students. In 2014 Washington removed the one-year waiting period for veterans for purposes of receiving resident tuition rates at Washington higher education institutions. A Washington state resident student includes a student who has separated from the military under honorable conditions after at least two years of service, and who enters an institution of higher education in Washington within one year of the date of separation who:

- at the time of separation designated Washington as the student's intended domicile;
- has Washington as the student's official home of record; or
- moves to Washington and establishes a domicile.

Students who are the spouse or a dependant of an individual who separated from the military under the aforementioned conditions, are also resident students.

Resident students are eligible for resident tuition rates at institutions of higher education in Washington. With some exceptions, resident students are charged tuition rates that are generally much lower than the tuition rates charged to non-resident students.

Veterans Choice Act. The Veterans Access, Choice and Accountability Act of 2014 (Choice Act) requires states to offer in-state tuition rates to all veterans living in that state who have enrolled at an in-state higher education institution within three years of departing the military. The Secretary of Veterans Affairs must disapprove a course of education for Post-9/11 GI Bill funds disbursement at institutions that do not provide resident tuition to all covered individuals under the Choice Act. A covered individual includes the following:

- a Veteran who lives in state and enrolls in the school within three years of discharge from a period of active duty service of 90 days or more;
- a spouse or child using transferred benefits who lives in state and enrolls in the school within three years of the transferor's discharge from a period of active duty service of 90 days or more; or
- a spouse or child using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in state and enrolls in the school within three years of the service member's death in the line of duty following a period of active duty service of 90 days or more.

Washington State does not currently provide resident tuition rates to all covered individuals under the Choice Act.

Summary: The definition of resident student is amended to include the following:

- a student who has separated from the uniformed services with any period of honorable service after at least 90 days of active duty service, is eligible for federal veterans education assistance benefits, and who enters an institution of higher education in Washington within three years of separation;
- a student who is a spouse, former spouse, or child and is entitled to veterans administration educational assistance benefits (Benefits) based on their relationship to an individual who has separated from the uniformed services with any period of honorable service after at least 90 days of active duty service, and who enters an institution in Washington within three years of separation; or
- a student who is entitled to Benefits based on their relationship with a deceased member of the uniformed services who completed at least 90 days of active duty service and died in the line of duty, and

the student enters an institution in Washington within three years of the service members' death.

A qualifying student who remains continuously enrolled at an institution retains resident student status.

These definitions of resident student do not apply to students who have a dishonorable discharge from the uniformed services, unless the student is receiving Benefits.

Active duty service means full-time duty, other than active duty for training, as a member of the uniformed service of the United States. Active duty as a National Guard member for the purpose of organizing, administering, recruiting, instructing, training, or responding to a national emergency is recognized as active duty service.

Uniformed services is defined by Title 10 U.S.C., consisting of the Army, Marine Corps, Navy, Air Force, Coast Guard, Public Health Service Commissioned Corps, and the National Oceanic and Atmospheric Administration Commissioned Officer Corps.

Votes on Final Passage:

Senate	49	0
First Special Session		
Senate	44	0
Second Special Session		
Senate	44	0
Third Special Session		
Senate	45	0
House	98	0

Effective: July 24, 2015

SSB 5362
C 233 L 15

Concerning the regulation of passenger charter and excursion carriers.

By Senate Committee on Transportation (originally sponsored by Senators King and Liias; by request of Utilities & Transportation Commission).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, the Utilities and Transportation Commission (UTC) regulates various transportation industries, including passenger charter and excursion carriers. A charter party carrier is a service engaged in the transportation of a group of persons who under a single contract have acquired the use of a motor bus to travel together to a specified destination or for a particular itinerary. An excursion service carrier is a service, which may be regularly scheduled, engaged in the transportation of persons for compensation from points of origin to any other locations within the state of Washington and returning to that origin.

Current law does not specifically state that a service providing transportation of persons by party bus, in which food, beverages, or entertainment may be provided, is legally engaged in the business of a charter party carrier or excursion service carrier.

The following are not subject to charter and excursion carrier regulations: (1) persons operating motor vehicles wholly within the limits of incorporated cities; (2) persons operating taxicabs, hotel buses, or school buses; (3) passenger vehicles carrying passengers on a noncommercial basis; or (4) limousine charter party carriers.

Summary: Transporting persons by party bus over any public highway is specifically considered in law as engaging in the business of a charter party carrier or excursion service carrier, subject to UTC regulation.

The following provisions relating to the consumption of alcohol aboard charter and excursion carriers are specified:

- If alcoholic beverages are served or consumed aboard a party bus, the holder of the alcohol permit must (1) be on the party bus or reasonably proximate and available to the vehicle during the transportation service, (2) monitor and control party activities to prevent driver distraction, and (3) assume responsibility for compliance with the alcohol permit;
- If the carrier operating the party bus is the permit holder, then the carrier must have a person other than the driver satisfy the alcohol permit holder requirements;
- If at any time the carrier operating the party bus believes that the conditions aboard the vehicle are unsafe due to party activities involving alcohol, the carrier must remove all alcoholic beverages and lock them in the trunk or other locked compartment; and
- Any carrier in violation of the alcohol-related provisions is subject to a penalty of up to $5,000 per violation.

A carrier may not knowingly allow any passenger to smoke aboard a carrier's vehicle. Smoke is defined as the carrying or smoking of any kind of lighted pipe, cigar, cigarette, or any other lighted smoking equipment.

The exemption from UTC regulations for persons operating motor vehicles wholly within the limits of incorporated cities is removed.

Engaging in the business of a charter party carrier or excursion service carrier is clarified to include certain advertising activities. Engaging in the carrier business without a valid UTC certificate subjects the violator to a penalty of up to $5,000 per violation.

Votes on Final Passage:

Senate	42	6	
House	97	0	(House amended)
Senate	44	2	(Senate concurred)

Effective: July 24, 2015

SSB 5381
C 130 L 15

Creating a protocol for the return of firearms in the possession of law enforcement agencies.

By Senate Committee on Law & Justice (originally sponsored by Senators Billig, Frockt, Pedersen, Kohl-Welles, Rolfes, Liias, Nelson, Fraser, Cleveland, McCoy and McAuliffe).

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Superior courts and courts of limited jurisdiction can order forfeiture of a pistol found concealed on a person not authorized to carry a concealed pistol. The weapon may be returned if the person possessed a valid concealed pistol license (CPL) within the preceding two years and has not become ineligible for a CPL in the interim.

Other circumstances under which the court may order forfeiture of a firearm are when the firearm:

- was commercially sold to any person without an application;
- is in the possession of a person prohibited from possessing the firearm;
- is in the possession or under the control of a person at the time the person committed or was arrested for committing a felony or committing a non-felony crime in which a firearm was used or displayed;
- is in the possession of a person who is in any place in which a CPL is required, and who is under the influence of any drug or under the influence of intoxicating liquor;
- is in the possession of a person free on bail or personal recognizance pending trial, appeal, or sentencing for a felony or for a non-felony crime in which a firearm was used or displayed;
- is in the possession of a person found to have been mentally incompetent while in possession of a firearm when apprehended or who is thereafter committed;
- is used or displayed by a person in the violation of a proper written order of a court of general jurisdiction; or
- is used in the commission of a felony or of a non-felony crime in which a firearm was used or displayed.

The firearm may be returned to the owner if the court finds that there was no probable cause to believe that one of these circumstances existed or the firearm was stolen from the true owner or the owner had no knowledge of nor consented to the act that resulted in the forfeiture.

A law enforcement officer may confiscate a firearm found to be in the possession of a person under the same circumstances. After confiscation, the firearm must not be surrendered except to the prosecuting attorney for use in subsequent legal proceedings, for disposition according to an order of a court; or to the owner if the proceedings are dismissed.

Summary: Law enforcement agencies must develop notification protocols that allow family or household members to request notification before a firearm is returned to the person from whom it was obtained or to an authorized representative. Notification can be by telephone, email, text message, or other methods that avoid unnecessary delay. Once notification can be given if the law enforcement agency is returning more than one firearm to the same individual. An individual who makes a request for notification based on false information may be held criminally liable for making a false or misleading statement to a public servant, a gross misdemeanor.

Information must not be released other than to a family or household member who has an incident or case number and who has requested to be notified or to other law enforcement agencies. The information provided by the family or household member in the request, including the existence of the request, is not subject to the Public Records Act. Public and government agencies, officials, and employees are immune from civil liability for the release or the failure to release information related to the notification system as long as the release was without gross negligence.

A law enforcement agency must provide written notice to the individual from whom it was obtained specifying the reason for the hold within five business days of the individual requesting return of the firearm. Before a law enforcement agency returns a privately owned firearm, the agency must:

- confirm that the firearm is returned to the person from whom it was obtained or to an authorized representative;
- confirm that the person to whom the firearm is returned is eligible to possess it;
- provide notice, within one business day of an individual requesting return of a firearm, to family or household members who have requested notification of the firearm return;
- if notification has been requested, ensure that 72 hours have elapsed from the time notification was provided; or, if no notification was requested, ensure that 24 hours have elapsed from the time the firearm was obtained by law enforcement; and
- ensure that the firearm is not required to beheld in custody or otherwise prohibited from being released.

The firearm must be released without unnecessary delay once these requirements have been met. Notification to a family or household member must occur within one business day of verifying that all requirements for return of the firearm have been met.

The provisions do not apply to circumstances where a law enforcement officer has momentarily obtained a firearm from an individual and would otherwise immediately return the firearm to the individual during the same interaction.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SB 5387

C 176 L 15

Creating uniformity in common provisions governing business organizations and other entities.

By Senators Pedersen and O'Ban; by request of Uniform Law Commission.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Washington's business entity laws divide the most common entities by type: for-profit corporations, nonprofit and mutual corporations, partnerships and limited partnerships, limited liability companies (LLCs), employee cooperatives, cooperative associations, corporation sole – church and religious societies, fraternal societies and their building corporations, and granges. Structurally these laws contain all of the legal requirements pertaining to each entity type in its own provision.

The national Uniform Law Commission recommends a more integrated legal framework for states stemming from its long-term Harmonization of Business Entity Acts Drafting Project. The Uniform Business Organizations Code (UBOC) uses a hub-and-spoke model, putting the legal requirements common to all entities in one provision. The individual entity acts remain as spokes containing all entity-specific requirements.

UBOC's recently completed Article 1 contains its recommended common hub provisions. Using UBOC's structure, a recently completed project in Washington identifies these common hub provisions throughout Washington's business entity laws for possible inclusion in a new Washington business hub provision.

Summary: A new section in Title 23 RCW adopts the 2013 UBOC Article 1 common provisions for the Secretary of State's oversight of for-profit corporations, nonprofit and mutual corporations, partnerships and limited partnerships, limited liability companies, employee cooperatives, cooperative associations, corporation sole – church and religious societies, fraternal societies and their building corporations, and granges. The common legal requirements for these business entities also include reservation and registration of entity names, registered agents, foreign entities doing business in Washington, and entity dissolution and reinstatement.

The Secretary of State retains its current regulatory authority over business entities including rulemaking authority and authority to set and collect fees from regulated business entities. Each business entity retains its separate law containing its entity-specific legal requirements. The entity specific sections are amended as necessary to remove redundant provisions which move to the new common provisions section in Title 23. January 1, 2016, is the effective date for all parts of the proposal. Makes a number of minor technical and housekeeping amendments for clarity and consistency and to correct inaccurate cross references.

Votes on Final Passage:

Senate	47	0	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: January 1, 2016 (Part VII Contingent)

2SSB 5404

C 69 L 15

Concerning homeless youth prevention and protection.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban, Darneille, Frockt, Miloscia, Kohl-Welles, McAuliffe, Chase, Pedersen and Conway; by request of Governor Inslee).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Early Learning & Human Services
House Committee on Appropriations

Background: Programs for Street and Homeless Youth. The Children's Administration of the Department of Social and Health Services (DSHS) administers a number of programs regarding the care of street and homeless youth. For example, there are the following:

- *HOPE Centers.* Hope Centers provide temporary residential placements for street youth under the age of 18. These are homeless youth living on the street or other unsafe locations. Youth may self-refer to a HOPE Center for services. Payment for a HOPE Center bed does not require prior approval and entering a HOPE Center is voluntary. While residing in a HOPE Center, each youth will undergo a comprehensive assessment to include the youth's legal status, a physical examination, a mental health and chemical abuse evaluation, and an educational evaluation of their basic skills, along with any learning disabilities or special needs. The purpose of the assessment is to develop the best plan for the youth. The plan will focus on finding a permanent and stable home for the

youth. This plan might include reunifying the youth with the youth's parent(s) or legal guardian and/or getting the youth into a transitional living situation and off the streets; and

- *Crisis Residential Centers* (CRC). CRCs are short-term, semi-secure facilities for runaway youth and adolescents in conflict with their families. Youth cannot remain in a CRC more than 15 consecutive days. Counselors at a CRC, typically in collaboration with a social worker, work with the family to resolve the immediate conflict. Counselors will also help the youth and family develop better ways of dealing with conflict in the future. The goal is to reunite the family and youth wherever possible. The family will also be referred for additional services if other needs are identified. A semi-secure facility is a CRC, or specialized foster family home, operated in a way to reasonably assure that youth placed there will not run away. A secure facility is a CRC center that has locking doors, locking windows, or a secured perimeter, designed and operated to prevent a child from leaving without permission of the facility staff.

The Department of Commerce (Commerce) operates the Independent Youth Housing Program by providing rental assistance and case management for eligible youth who have aged out of the state foster care system. These funds are intended to assist in meeting the state goal of ensuring that all such youth avoid experiencing homelessness by having access to a decent, appropriate, and affordable homes in a healthy, safe environment. Participating youth must meet the following criteria to be eligible for assistance: participants must be at least 18 years of age, must have been a dependent of the state at any time during the four-month period preceding the youth's eighteenth birthday, and must have not yet reached the age of 23. Priority must be given to individuals who were dependents of the state for at least one year.

Home Security Fund. There is a $40 document recording fee surcharge. The revenue generated supports homeless housing and assistance programs, and the revenue is shared between the county that collected the revenue and the state. The state's share is deposited into the Home Security Fund. Commerce uses these monies to fund a number of homeless housing programs, with at least 45 percent of the state's share set aside for the use of private rental housing payments.

Homeless Families Services Fund. This fund exists within the custody of the State Treasurer and includes a one-time appropriation by the Legislature, private contributions, and all other sources deposited into the fund. Commerce may expend monies from the fund to provide state matching funds for housing-based supportive services for homeless families over a period of at least ten years.

Summary: The goal of the Legislature is to reduce and prevent youth and young adult homelessness by increasing and improving priority service areas: (1) stable housing, (2) family reconciliation, (3) permanent connections, (4) education and employment opportunities, and (5) social and emotional wellbeing.

The Office of Homeless Youth Prevention and Protection Programs (Office) is created. The measurable goals of the Office is to measurably decrease the number of homeless youth and young adults, identify the causes of youth homelessness, and measurably increase permanency rates among homeless youth caused by a youth's separation from family or legal guardian. The Office must provide management and oversight of HOPE Centers, crisis residential centers, and street youth services. The Office also gathers data and outcome measures, initiates data-sharing agreements, develops specific recommendations and timelines to address funding, policy, and practice gaps with the state system, and increases system integration and coordinates efforts to prevent state systems from discharging youth into homelessness. An advisory committee must consult with the Office regarding funding, policy, and practice gaps within and among state programs. The Office must be operational no later than January 1, 2016. By December 1, 2016, the Office must submit a report to the Governor and Legislature to inform and provide recommendations regarding funding, policy, and best practices in the five service areas identified.

Other changes made by the Homeless Youth Prevention and Protection Act include the following:

- Regarding HOPE Centers: Commerce must establish HOPE Centers and DSHS licenses them. HOPE Centers notify DSHS when a street youth do not promptly return and DSHS notifies the youth's parents. Before dependent children can stay at a HOPE Center, prior approval by DSHS is necessary;
- Regarding CRCs: Commerce must contract for CRCs and DSHS licenses them. CRCs must record client information into a homeless management information system specified by Commerce. CRCs must notify DSHS if a child leaves without authorization;
- The Home Security Funds appropriated to carry out the enumerated homeless youth activities are not subject to the 45 percent set aside for the use of private rental housing payments;
- The Homeless Families Services Fund is renamed the Washington Youth and Families Fund. Revenue can include appropriations from the Legislature in addition to private contributions, and all other sources in the fund. Commerce may expend monies from the fund to provide state matching funds for housing-based supportive services for homeless youth and families;

- The Office must establish a statewide training program on homeless youth for criminal justice personnel;
- Commerce's ten-year homeless housing strategic plan is revised to include the reduction in the number of unaccompanied homeless youth; and
- Local governments using document recording surcharge fees must collect data regarding the amount of fees expended on, and number of services provided to, unaccompanied homeless youth.

The Joint Legislature and Audit Review Committee must conduct a review of state-funded programs that serve unaccompanied homeless youth to determine what performance measures exist, what statutory reporting requirements exist, and whether there is reliable data on the ages of youth served, length of stay, and effectiveness of program exit and reentry.

The Office of Superintendent of Public Instruction's biennial report on data of homeless students is expanded to include the number, academic performance, and educational outcomes of identified unaccompanied homeless students enrolled in public schools.

Votes on Final Passage:

Senate	48	1
House	71	26

Effective: July 24, 2015

ESB 5419

C 277 L 15

Enacting the student user privacy in education rights act.

By Senators Litzow, McAuliffe, Rivers, Fain, Mullet, Frockt, Hill, Dammeier, Rolfes, Kohl-Welles and Chase.

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

Background: The Family Educational Rights and Privacy Act (FERPA) and state laws give parents and students rights with respect to education records. Under FERPA, schools generally must have written consent from the parent, or student when the right has transferred, in order to release any personally identifiable information from a student's education record. However, there are exceptions to this consent requirement.

Currently there are no Washington or federal laws that limit the sharing of personal student information by other entities that provide services to schools and have access to personal student information.

The Education Data Center within the Office of Financial Management conducts analyses of early learning, K–12, higher education programs, and education and workforce issues across the educational system in collaboration with other agencies.

Summary: School Service Providers. School service providers must take specified actions to protect the personal information of students. School service provider means an entity that operates a school service to the extent it is operating in that capacity. School service means a website, mobile application, or online service that meets all three of the following criteria:

- is designed and marketed primarily for use in a K–12 school;
- is used at the direction of teachers or other employees of a K–12 school; and
- collects, maintains, or uses student personal information.

Student personal information means information collected through a school service that personally identifies an individual student or other information collected and maintained about an individual student that is linked to information that identifies an individual student. A school service does not include a website, mobile application, or online service that is designed and marketed for use by individuals or entities generally, even if also marketed to a United States K–12 school.

School Service Providers' Policies. School service providers must provide (1) clear and easy to understand information about the types of student personal information they collect and about how they use and share the student personal information, and (2) prominent notice before making material changes to their privacy policies for school services. Where the school service is offered to an educational institution or teacher, this information and prominent notice may be provided to the educational institution or teacher.

School service providers must facilitate access to and correction of student personal information by students or their parent or guardian either directly or through the relevant educational institution or teacher.

These requirements do not apply to the Education Data Center, but they do apply to any of its subcontractors.

Consent for Use of Student Personal Information. School service providers must obtain consent before using student personal information in a manner that is materially inconsistent with the provider's privacy policy or school contract for the applicable school service in effect at the time of collection.

Existing law regarding consent, including consent from minors and employees on behalf of educational institutions, is not changed.

Collecting, Using, and Sharing Student Personal Information. School service providers may collect, use, and share student personal information only for purposes authorized by the relevant educational institution or teacher, or with the consent of the student or the student's parent or guardian.

School service providers may not:

- sell student personal information;

- use or share any student personal information for purposes of targeted advertising to students; or
- use student personal information to create a personal profile of a student other than for supporting purposes authorized by the relevant educational institution or teacher, or with the consent of the student or the student's parent or guardian.

The prohibition against selling student personal information does not apply to the purchase, merger, or other type of acquisition of a school service provider, or any assets of a school service provider by another entity, as long as the successor entity continues to be subject to the foregoing provisions with respect to previously acquired student personal information to the extent that the school service provider was regulated with regard to its acquisition of student personal information.

Targeted advertising means sending advertisements to a student where the advertisement is selected based on information obtained or inferred from that student's online behavior, usage of applications, or student personal information. It does not include the following:

- advertising to a student at an online location based upon that student's current visit to that location without the collection and retention of a student's online activities over time; or
- adaptive learning, personalized learning, or customized education.

The foregoing provisions do not apply to the use or disclosure of personal information by a school service provider to:

1. protect the security or integrity of its website, mobile application, or online service;
2. ensure legal or regulatory compliance or to take precautions against liability;
3. respond to or participate in judicial process;
4. protect the safety of users or others on the website, mobile application, or online service;
5. investigate a matter related to public safety; or
6. a subcontractor, if the school service provider:
   a. contractually prohibits the subcontractor from using any student personal information for any purpose other than providing the contracted service to, or on behalf of, the school service provider;
   b. prohibits the subcontractor from disclosing any student personal information provided by the school service provider to subsequent third parties unless the disclosure is expressly permitted; and
   c. requires the subcontractor to comply with the requirements.

School service providers must delete student personal information within a reasonable period of time if the relevant educational institution requests deletion of the data under the control of the educational institution unless:

- the school service provider has obtained student consent or the consent of the student's parent or guardian to retain information related to that student; or
- the student has transferred to another educational institution and that educational institution has requested that the school service provider retain information related to that student.

Information Security Program. School service providers must maintain a comprehensive information security program that is reasonably designed to protect the security, privacy, confidentiality, and integrity of student personal information. The information security program should make use of appropriate administrative, technological, and physical safeguards.

Adaptive Learning and Customized Education. Nothing is intended to prohibit the use of student personal information for purposes of:

- adaptive learning or personalized or customized education;
- maintaining, developing, supporting, improving, or diagnosing the school service provider's website, mobile application, online service, or application;
- providing recommendations for school, educational, or employment purposes within a school service without the response being determined in whole or in part by payment or other consideration from a third party; or
- responding to a student's request for information or for feedback without the information or response being determined in whole or in part by payment or other consideration from a third party.

Construction of the Act. The act must not be construed to:

- impose a duty upon a provider of an interactive computer service to review or enforce compliance by third-party content providers;
- apply to general audience Internet websites, general audience mobile applications, or general audience online services even if login credentials created for a school service provider's website, mobile application, or online service may be used to access those services;
- impede the ability of students to download, export, or otherwise save or maintain their own student data or documents;
- limit Internet service providers from providing Internet connectivity to schools or students and their families;
- prohibit a school service provider from marketing educational products directly to parents so long as the marketing did not result from use of student personal information obtained by the school service provider

through the provision of its website, mobile application, or online service; or
- impose a duty on a school service provider of an electronic store, gateway, marketplace, or other means of purchasing or downloading software or applications to review or enforce compliance on those applications or software.

Future Contracts. The limitations and requirements only apply to contracts entered or renewed after the effective date of the act and are not retroactive. This act takes effect July 1, 2016.

Votes on Final Passage:

Senate	49	0
House	96	2

Effective: July 1, 2016

ESB 5424
C 31 L 15

Allowing public utility districts to produce and distribute renewable natural gas.

By Senators King, McCoy, Ericksen and Hobbs.

Senate Committee on Energy, Environment & Telecommunications
House Committee on Technology & Economic Development

Background: Public Utility Districts (PUDs). Formed in 1931 by Initiative 1, PUDs are municipal corporations authorized to provide electricity, water and sewer services, and wholesale telecommunications. There are 28 operating PUDs in Washington, 23 of which provide electricity, 19 provide water or wastewater services, and 13 provide wholesale broadband telecommunications services. PUDs are not generally subject to the jurisdiction of the Utilities and Transportation Commission (UTC).

In 2007 the Legislature granted PUDs the authority to produce and distribute biodiesel, ethanol, and ethanol blend fuels. PUDs were also authorized to enter into crop purchase contracts for dedicated energy crops for the purpose of generating electricity or producing biodiesel from Washington feedstocks.

Summary: Authorizing PUDs to Produce and Use Renewable Natural Gas (RNG) for Internal Operations. PUDs are authorized to produce and use RNG for internal operations.

Authorizing PUDs to Sell RNG Under Specified Conditions. PUDs may generally sell RNG delivered into a gas transmission pipeline located in the state or in pressurized containers: (1) at wholesale; or (2) to end-use customers if the RNG is delivered through a pipeline pursuant to appropriate transportation tariffs, among other conditions. PUDs may also sell RNG through a pipeline directly from an RNG production facility to a facility that compresses, liquefies, or dispenses natural gas as a transportation fuel.

Limiting the Authority of PUDs to Sell RNG. PUDs are not authorized to sell RNG delivered by pipeline to an end-use customer of a gas company. Furthermore, PUDs are not authorized to own or operate natural gas distribution pipeline systems used to serve retail customers; however, PUDs may generally own and operate the following: (1) pipelines that interconnect RNG production facilities to gas transmission pipelines; and (2) pipelines and facilities to provide RNG as a transportation fuel if the pipelines and facilities are located in the county in which the PUD is authorized to provide utility service.

Authorizing Limited Jurisdiction Over PUDs by the UTC. PUDs exercising their RNG authority are not subject to UTC jurisdiction except for pipeline safety administration and enforcement.

Defining RNG. RNG means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

SSB 5433
C 198 L 15

Requiring Washington's tribal history, culture, and government to be taught in the common schools.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Litzow, Rolfes, Roach, Fain, Hasegawa, Dammeier, McCoy, Nelson, Frockt, McAuliffe, Rivers, Kohl-Welles, Chase, Jayapal, Conway and Habib).

Senate Committee on Early Learning & K-12 Education
House Committee on Community Development, Housing & Tribal Affairs

Background: There are 29 federally recognized Indian tribes whose reservations are located in Washington. In a 2012 report, the Office of Superintendent of Public Instruction (OSPI) reported that 264 school districts in 2010 had between 1 and 1095 Native American or Alaskan Native students attending their schools.

In 2005 the Legislature encouraged OSPI to help school districts identify federally recognized Indian tribes within or near school districts and school districts were encouraged to do the following:
- incorporate curricula about tribal history, culture, and government of the nearest federally recognized tribe and work with tribes to develop such materials;

- collaborate with tribes to create materials, programs, and cultural exchanges; and
- collaborate with OSPI on curricular areas of tribal government and history that are statewide in nature.

In 2011 the Legislature directed OSPI to create the Office of Native Education (ONE). ONE was tasked with several duties including facilitating the development and implementation of curricula and instructional materials regarding native languages, culture and history, and the concept of tribal sovereignty. ONE posts curriculum and other resources for elementary, middle, and high schools on its website.

Washington's high school graduation requirements include a minimum of one-half credit of Course work in Washington State history and government. Courses designed to meet this requirement are encouraged to include information on the culture, history, and government of Indian tribes in Washington.

Summary: The legislative direction encouraging OSPI and school districts to collaborate and take certain actions to develop and incorporate curricula about tribes is changed to require such collaboration and actions. OSPI must help school districts identify federally recognized Indian tribes within or near school districts, and school districts must do the following:

- when reviewing or adopting social studies curriculum, incorporate curricula about tribal history, culture, and government of the nearest federally recognized tribe and work with tribes to develop such materials;
- collaborate with tribes to create materials, programs, and cultural exchanges; and
- collaborate with OSPI on curricular areas of tribal government and history that are statewide in nature.

School districts must meet the requirements of collaboration and incorporation about tribal history, culture, and government by using the curriculum developed and made available free of charge by OSPI, but they may modify the curriculum in order to incorporate elements that have a regional focus or in order to incorporate the curriculum into existing curricular materials.

Votes on Final Passage:

Senate	42	7
House	76	22

Effective: July 24, 2015

SSB 5438

C 32 L 15

Allowing bicycles and mopeds to stop and proceed through traffic control signals under certain conditions.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Dammeier, Rolfes, Hill, Rivers, Liias, Mullet, Billig and Pedersen).

Senate Committee on Transportation
House Committee on Transportation

Background: Generally, all vehicle operators must obey traffic control devices, including traffic signals at intersections. Some of these traffic signals are equipped with sensors that determine when a vehicle approaches the intersection. Once detected by the sensor, the traffic signal will initiate a change in, or extension of, a traffic signal phase, for instance, a change from a red light to green.

However, if a motorcyclist approaches an intersection, including a left turn intersection, controlled by a triggered traffic control signal using a vehicle detection device, and that signal is inoperative due to the size of the motorcycle, the motorcyclist must come to a complete stop. If the signal fails to operate after one cycle, the motorcyclist may proceed through the intersection or turn left after exercising due care.

It is not a defense to a traffic citation for failure to obey a traffic control signal when a motorcyclist proceeds under the belief that a traffic control signal used a vehicle detection device, when it did not; or a traffic control signal was inoperative due to the size of the motorcycle, when the device was in fact operative.

Summary: The operators of mopeds, bicycles, and electric-assisted bicycles are authorized to stop and proceed through a traffic control signal under the same requirements and restrictions as motorcycles.

It is not a defense to a traffic citation for failure to obey a traffic control signal when a person operating a bicycle, electric assisted bicycle, or a moped proceeds under the belief that the signal used a vehicle detection device, when it did not; or that the signal was inoperative due to the size of the bicycle, assisted bicycle, or moped, when the device was in fact operative.

Votes on Final Passage:

Senate	45	3
House	78	19

Effective: July 24, 2015

ESSB 5441
C 213 L 15

Addressing patient medication coordination.

By Senate Committee on Health Care (originally sponsored by Senators Rivers, Frockt, Parlette, Bailey, Conway, Keiser and Benton).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Medication coordination, or medication synchronization, is an emerging pharmacy practice focused on patients that have multiple medications for chronic conditions by encouraging patients to pick up all their recurring monthly prescriptions on the same day, usually once per month. The concept is often paired with an appointment-based model which involves the pharmacy coordinating medication refills and scheduling a pick-up date for the patient. An evaluation of the model in a midwest pharmacy indicated some patients demonstrated greater adherence with prescribed medications.

Effective January 1, 2014, Medicare began allowing a pro-rated drug copayment for dispensing less than a 30-day supply to assist patients in moving to a synchronized schedule for medication refills.

Summary: Health insurance plans, including the self-insured Uniform Medical Plan, that provide coverage for prescription drugs must implement a medication synchronization policy for the dispensing of prescription drugs for the 2016 plan year. Medication synchronization means the coordination of medication refills for a patient taking two or more medications for a chronic condition to allow the medications to be refilled on the same schedule.

If an enrollee requests medication synchronization for a new prescription, the health plan must permit filling the drug for less than a one-month supply of the drug if synchronization will require more than a fifteen-day supply of the drug, or for more than a one-month supply of the drug if synchronization will require a fifteen-day supply of the drug or less.

The health plan must adjust the enrollee cost sharing for a prescription drug with a co-insurance that is dispensed for less than the standard refill amount for the purpose of synchronizing the medications. The health plan must adjust the cost-sharing for an enrollee for a prescription with a copay that is dispensed for less than the standard refill amount for the purpose of synchronizing by one of the following methods:

- discounting the copayment rate by fifty percent;
- discounting the copayment rate based on fifteen-day increments; or
- any other method approved by the Office of Insurance Commissioner.

The prescribing provider or pharmacist must do the following:

- determine that filling or refilling the prescription is in the best interest of the enrollees, taking into account the appropriateness of synchronization for the drug being dispensed;
- inform the enrollee that the prescription will be filled to less than the standard refill amount to allow synchronizing the medication; and
- deny synchronization if there is a threat to patient safety, or suspected fraud or abuse.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 24, 2015

SSB 5448
C 89 L 15

Requiring a study of the effects long-term antibiotic therapy has on certain Lyme disease patients.

By Senate Committee on Health Care (originally sponsored by Senator Hatfield).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Lyme disease is an inflammatory disease caused by bacteria that are transmitted by ticks. Symptoms usually include fatigue, restless sleep, pain, aching joints, speech problems, or decreased short-term memory. Lyme disease is usually treated over two or three weeks. Commonly prescribed medicine includes doxycyline, amoxicillin, and cefuroxime axetil.

Chronic or persistent Lyme disease occurs if a patient who is treated with antibiotic therapy for the disease continues to experience symptoms. The Centers for Disease Control and Prevention estimates that 10–20 percent of patients who are treated with an antibiotic therapy will have persistent or chronic conditions. Treatment of chronic Lyme disease is often focused on reducing pain and discomfort. Pain relievers are often used to treat joint pain, and non-steroidal anti-inflammatory medications and intra-articular steroids are often used to treat joint swelling.

Summary: The Medical Quality Assurance Commission (MQAC) must conduct a study of the effects of long-term antibiotic therapy on patients who have been diagnosed with posttreatment Lyme disease syndrome. The study must include a review of:

- the antibiotics that are commonly involved in long-term treatment of Lyme disease;
- the side effects associated with long-term antibiotic therapy;
- the effectiveness of long-term antibiotic therapy of controlling symptoms;

- whether allowing the practice of long-term antibiotic therapy would be beneficial to the health and safety of Washington residents; and
- any other aspects deemed important for the health and safety of patients who may receive these treatments.

MQAC must report its findings to the Governor and the Legislature by December 1, 2015.

Votes on Final Passage:

Senate	48	0
House	85	12

Effective: July 24, 2015

ESSB 5460

C 234 L 15

Allowing practitioners to prescribe and distribute prepackaged emergency medications to emergency room patients when a pharmacy is not available.

By Senate Committee on Health Care (originally sponsored by Senators Parlette, Cleveland, Rivers, Keiser, Angel, Chase and Bailey).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Community pharmacies dispense prescription drugs and other over-the-counter medications under the direction of a registered pharmacist. In many rural areas, community pharmacies are the only source for prescription drugs and discussion of health-related concerns.

Hospital pharmacies can usually be found within the premises of a hospital. Hospital pharmacies usually stock a larger range of medications, including more specialized and investigational medications, than would be feasible in the community setting. Hospital pharmacies typically provide medications for the hospitalized patients only, and are not retail establishments. Some hospitals do have retail pharmacies within them, which sell over-the-counter as well as prescription medications to the public.

Summary: Emergency medication is defined as medication commonly prescribed to emergency room patients, including controlled substances listed in schedules II through V.

Hospitals may allow health care practitioners with prescriptive authority to prescribe, and both health care practitioners and registered nurses to distribute, prepackaged emergency medications to patients being discharged from a hospital emergency department if community or hospital pharmacies are not available within 15 miles by road or if the patient has no reasonable ability to reach the community or outpatient pharmacy. In order to prescribe and distribute prepackaged emergency medications, hospitals must develop policies and procedures on the following: development of a list of the types of emergency medications to be prepackaged and distributed; requiring that emergency medications be prepackaged by a pharmacist; development of the specific criteria under which emergency prepackaged medications may be prescribed and distributed; ensuring that the practitioner who is prescribing the emergency medication is trained on the prepackaged medication available and when they may be dispensed; recordkeeping requirements; permitting only a 48–96 hour supply of emergency medication to be dispensed; providing that the prepackaged emergency medications are stored in the emergency room; and ensuring patient counseling on the medicine before distribution.

Hospital pharmacies may engage in intra-company sales, such as sales between divisions, subsidiaries and affiliated or related companies. They may also sell prescription drugs for emergency purposes such as to alleviate a temporary shortage.

Hospitals with pharmacy licenses may include under its license any individual practitioner's office or multi-practitioner clinic that is owned and operated by the hospital and listed on the pharmacy application.

Votes on Final Passage:

Senate	48	0	
House	93	4	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015
May 11, 2015 (Section 1)

SB 5464

C 90 L 15

Concerning unlawfully engaging in fishing guide activity.

By Senators Warnick, Hatfield, Parlette, Hargrove, Ranker, Hewitt, Fraser and Chase; by request of Department of Fish and Wildlife.

Senate Committee on Natural Resources & Parks
House Committee on Agriculture & Natural Resources

Background: Fish Guide and Charter Boat Operator Licensing. A commercial license is required to act as a food fish or game fish guide, i.e. persons paid to transport or accompany fishers and share their techniques and expertise. A game fish guide license permits services relating to game fish, e.g. steelhead, bass, and catfish. A food fish guide license permits services relating to food fish, e.g. salmon, sturgeon, halibut, bottomfish, and tuna, in most freshwater areas.

A charter boat license is required to operate a vessel for a fee in areas where others fish for food fish or shellfish in the Puget Sound, Grays Harbor, Willapa Bay, the Pacific Ocean, Lake Washington, and the Columbia river below the bridge at Longview.

Acting as a fish guide or operating a charter boat without the proper license is a gross misdemeanor.

Catch Record Cards. In general a catch record card for recreational fish must be submitted to the Washington De-

partment of Fish and Wildlife by April 30 each year, whether or not fish were caught. Fish guides or charter boat operators who issue a short-term license, known as a stamp, for a trip must affix the stamp to each card before fishing occurs. Catch record cards affixed with a temporary stamp are valid for one day.

Summary: A person is guilty of unlawfully engaging in fishing guide activity if the person holds a game fish guide, food fish guide, or charter boat operator license and either:

- fails to adhere to statutory requirements for catch record cards; or
- violates any rule regarding the sale, possession, issuance, or reporting of temporary fishing licenses, temporary short-term charter stamps, or catch record cards.

Unlawfully engaging in fishing guide activity is a gross misdemeanor.

Votes on Final Passage:

Senate	46	0
House	94	3

Effective: July 24, 2015

SB 5466

C 116 L 15

Clarifying employee eligibility for benefits from the public employees' benefits board and conforming the eligibility provisions with federal law.

By Senators Becker, Keiser and Conway; by request of Health Care Authority and LEOFF Plan 2 Retirement Board.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Health Care Authority (HCA) administers health and other insurance benefits plans for active state employees, retired state and K–12 employees, and some active local government and K–12 employees. The Public Employees' Benefit Board (PEBB) approves benefit plans and premiums for active employees and retired participants.

In general, state employees are eligible for benefits if it is anticipated that they will work an average of 80 hours or more for more than six consecutive months, though the eligibility standards differ for some types of employees. Faculty members at institutions of higher education who are expected to work half-time over a period of at least nine months are eligible for benefits for the entire instructional year. Seasonal employees who are expected to work an average of half-time or more, as defined by PEBB, over six months of the applicable work season are eligible for the benefits for the season of employment.

In 2009 the Legislature enacted a number of changes to PEBB eligibility rules, including clarifying HCA's authority to determine eligibility, as opposed to the employing agency, and moving eligibility criteria from rule to statute. HCA has the authority to determine eligibility, but may delegate to an employing agency the task of determining individual employees' eligibility for benefits. Any determination as to whether or not an employee is eligible for benefits is subject to periodic review, and appeals of agency eligibility determinations are reviewed by HCA.

The PEBB statutes provide that members may cover their unmarried dependents under the age of 25. An employee that chooses to cover a dependent with developmental or mental disabilities who is incapable of self-support may continue coverage at the same premium as for dependents age 20 or under regardless of the age of the dependent with disabilities. The federal Patient Protection and Affordable Care Act of 2010 provides that for any plan year beginning after September 23, 2010, any health plan that provides coverage for dependent children must make such coverage available until attainment of age 26.

Summary: An agency participating in HCA-administered benefit programs is authorized to make initial determinations of benefits eligibility if directed to do so by HCA. The term employer group is defined to mean those local governments and other entities that obtain employee benefits through a contractual agreement with HCA. A reference to adult family home providers is corrected.

Eligibility standards for seasonal employees are changed from half-time as defined by PEBB, to 80 hours per month, consistent with the standard used for other part-time eligibility provisions. The definition of academic year is clarified to apply to either quarter or semester-based academic calendars.

The recognition of domestic partnerships through presentation of a certificate of domestic partnership issued by the Secretary of State is applied to both same-sex and opposite-sex domestic partnerships. State-registered domestic partners of emergency service personnel killed in the line of duty are all made eligible for PEBB participation, and several provisions referencing state-registered domestic partners are clarified.

State-registered domestic partners of emergency service personnel killed in the line of duty are eligible to participate in HCA-administered Medicare supplemental insurance policies.

Dependent coverage provisions in PEBB programs are extended to dependent children up to age 26 in compliance with the federal Patient Protection and Affordable Care Act of 2010.

Votes on Final Passage:

Senate	44	5
House	92	5

Effective: July 24, 2015

SB 5468
C 177 L 15

Authorizing the use of nonappropriated funds on certain administrative costs and expenses of the stay-at-work and self-insured employer programs.

By Senators King, Keiser, Kohl-Welles and Conway; by request of Department of Labor & Industries.

Senate Committee on Commerce & Labor
House Committee on Appropriations

Background: Under the state's industrial insurance laws, employers must insure through the State Fund administered by the Department of Labor and Industries (L&I) or, if qualified, may self-insure. Self-insurance is a program in which the employer provides any and all appropriate benefits to the injured worker and manages the claims of its employees. Self-insured employers pay an assessment to fund administrative expenses of L&I.

The Stay-at-Work program was created through legislation in 2011. Under the Stay-at-Work program, an employer insured through the State Fund may receive a wage subsidy and other reimbursements under certain circumstances for employing an injured worker at light duty or transitional work. The Stay-at-Work program is funded through an assessment on employers, which is earmarked to pay benefits and administrative expenses of the program. An appropriation is not needed to pay Stay-at-Work benefits, however an appropriation is needed for administrative costs.

The Workers' Compensation Advisory Committee (WCAC) is a ten-member committee tasked with studying aspects of the workers' compensation system. Workers and employers are represented on WCAC.

Summary: An appropriation is not required for administrative expenses to assist employers with developing a Stay-at-Work program and other related services that respond to employer or employee needs. L&I must seek the advice of WCAC prior to using the funds.

A Stay-at-Work Advisory Committee (SWAC) is created, with six members, three representing employers, and three representing labor. Members serve without compensation, but are entitled to travel expenses, which must be paid by L&I. SWAC must review L&I proposals to spend non-appropriated Stay-at-Work program funds for administrative expenses and make recommendations to WCAC for their consideration.

An appropriation is not required for administrative costs for one-time projects requested by self-insured employers that support the self-insured employer program. L&I must seek support from self-insured employers prior to accessing the funds.

Votes on Final Passage:

Senate	48	0
House	89	8

Effective: July 24, 2015

ESB 5471
C 263 L 15

Addressing electronic notices and document delivery of insurance products.

By Senators Angel, Mullet, Litzow and Hobbs.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services

Background: The Office of the Insurance Commissioner regulates insurance in the state. This includes the oversight of insurance companies and insurance holding companies. There are various statutory provisions requiring that notices and other documents be provided to policyholders.

Summary: Electronic Delivery of Insurance Notices and Other Documents Allowed. Any notice or any other document required under applicable law in an insurance transaction or that must serve as evidence of insurance coverage may be delivered, stored, and presented by electronic means so long as it meets the requirements of the Washington Electronic Authentication Act. The delivery may be made to a party who is any required recipient of the notices or documents. The party may include an applicant, an insured, a policyholder, or an annuity contract holder.

Delivery by electronic means is delivery to (1) an email address at which the party consented to receive the notices or documents or (2) posting on a electronic network or site and sending a notice of the posting by email. Delivery by electronic means is equivalent to any other required delivery methods, such as first-class or certified mail.

Requirements for Electronic Delivery. A notice or document may be delivered by electronic means if the party consented to electronic delivery and has not withdrawn the consent. In addition, before giving the consent, the party must be provided with a statement informing the party of the following:

- the right to withdraw the consent and any conditions, or consequences imposed by the withdrawal;
- the types of notices or documents to which the consent would apply;
- the right to have a notice or document in paper form;
- how to withdraw the consent and update the email address; and
- the hardware and software requirements needed for electronic delivery.

The party must consent electronically or confirm consent electronically showing that the party can access the electronic information.

Notice must be provided to the party of changes in the hardware or software requirements and of the right to withdraw the consent. Failing to provide notice of changes in hardware or software requirements and the right to withdraw may be treated as withdrawal of consent.

When verification or acknowledgement of receipt is required under law, the notice or document may be electronically delivered only if the delivery method provides for verification or acknowledgement of receipt.

An insurer must deliver a notice or document by other than electronic means if the insurer: (1) attempts electronic delivery and reasonable believes the notice or document has not been received; or (2) becomes aware that the email address is no longer valid.

No Producer Liability. A producer may not be held liable for harm resulting from a party's election for electronic delivery or by an insurer's failure to deliver a notice or document by electronic means.

Withdrawal and Preexisting Consent. Withdrawal of consent is effective within a reasonable period of time, not to exceed 30 days, after receipt by the insurer. Certain provisions apply if a party gave consent before the effective date of the act.

Website Posting of Standard Policies. Standard property and casualty insurance policies and endorsements without personally identifiable information may be mailed, delivered, or may be posted on the insurer's website. If the insurer elects website posting, the policies and endorsements must be: (1) accessible to the insured and the producer of record while the policy is in force; (2) archived for six years after expiration; and (3) available upon request. The posted policies must allow for printing and saving by the insured and the producer of record. The insurer must provide information about obtaining the policy with the initial policy and any renewals.

Votes on Final Passage:

Senate	48	1	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SSB 5481

C 292 L 15

Concerning tolling customer service reform.

By Senate Committee on Transportation (originally sponsored by Senators Hill, Litzow, Mullet, Chase, Rivers, Becker, Bailey, Warnick, Rolfes and Hasegawa).

Senate Committee on Transportation
House Committee on Transportation

Background: The Washington State Department of Transportation (WSDOT) uses a photo toll system that reads a vehicle license plate on several toll facilities within the state, including the State Route 520 Floating Bridge, the Tacoma Narrows Bridge, the State Route 167 High Occupancy Toll Lanes Project, and the I-405 High Occupancy Toll Lanes, which is scheduled to open later in 2015.

Vehicle owners are automatically assessed a toll for using any of these toll facilities. If the vehicle does not have a Good to Go pass with WSDOT, the registered owner of the vehicle receives a toll bill in the mail. If the registered owner fails to pay this toll bill within 80 days, it becomes a toll violation. A civil penalty of $40 may be assessed for a toll violation along with administrative fees.

A registered owner may contest or dispute a civil penalty within 15 days of the date of the notice of civil penalty, and the registered owner may request an in-person administrative hearing. During an administrative hearing, WSDOT has the burden of establishing that the toll violation occurred; however, it is not a defense to a toll violation and notice of civil penalty that a person other than the registered owner was driving the vehicle at the time or that the person did not know to pay a toll. An administrative law judge may consider the following as valid mitigating circumstances and reduce or waive any civil penalties:

- hospitalization;
- divorce decree or legal separation agreement resulting in a transfer of the vehicle;
- an active duty member of the military or National Guard covered by the Civil Relief Act or State Service Member's Relief Act;
- eviction;
- homelessness;
- the death of the alleged violator or of an immediate family member; or
- the customer did not receive a toll charge bill or notice of civil penalty.

Summary: WSDOT toll bill administration and civil penalty adjudication processes are modified as follows:

- WSDOT, by June 30, 2016, must use electronic mail to inform a pre-paid electronic toll account holder that there is an unpaid toll for a registered vehicle listed on the prepaid electronic toll account ten days prior to the issuance of a notice of civil penalty, if the customer consents to be contacted via electronic mail;
- WSDOT, by June 30, 2016, must call a pre-paid electronic toll account holder to inform the account holder that there is an unpaid toll for a registered vehicle listed on the prepaid electronic toll account ten days prior to the issuance of a notice of civil penalty, if the customer consents to be contacted via phone;
- greater discretion is provided to WSDOT and the administrative law judges to waive or reduce the penalties associated with the nonpayment of a toll;
- WSDOT must adopt rules to allow an individual who has been issued a notice of civil penalty to present evidence of mitigating circumstances as to why a toll bill was not paid in a timely fashion. WSDOT is authorized to dismiss or reduce the civil penalty and associated fees after having been provided verifiable evidence of a specified mitigating circumstance;

- WSDOT must provide a learning experience to toll customers who incur fees and penalties associated with the late payment of tolls for the first time. As part of the educational opportunity, WSDOT may waive the civil penalties and administrative fees if the issue that resulted in the toll not being timely paid has been resolved;
- WSDOT must, by June 30, 2016, allow a toll customer to access its website from a mobile platform to manage all of a customer's toll accounts, regardless of method of payment;
- any new photo toll system acquired by WSDOT must be able to: (1) connect with the Department of Licensing's vehicle record system so that a prepaid electronic toll account is automatically updated when a toll customer's vehicle record is updated, if the customer consents to automatic updates; and, (2) display, in the monthly statement, when any toll is assessed for a vehicle listed in a prepaid electronic toll account, regardless of whether the method of payment for the toll is pay-by-mail or a prepaid electronic toll account; and
- the Secretary of Transportation must issue a letter of apology to a toll customer if a toll charge or civil penalty assessed to the customer is waived due to an error made by WSDOT, or its agent, in reading the customer's license plate.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	47	1	(Senate concurred)

Effective: July 24, 2015

SB 5482
C 91 L 15

Addressing the disclosure of global positioning system data by law enforcement officers.

By Senators Roach and Liias.

Senate Committee on Government Operations & Security
House Committee on State Government

Background: The Public Records Act (PRA), enacted in 1972 as part of Initiative 276, requires that all state and local government agencies make all public records available for public inspection and copying unless certain statutory exemptions apply.

Every state office, department, division, bureau, board, commission, or other state agency is subject to the PRA. The PRA's definition of local agency covers every county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency. Under the PRA, a public record includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency, regardless of physical form or characteristics.

Over 500 specific references in the PRA or other statutes remove certain information from application of the PRA, provide exceptions to the public disclosure and copying of certain information, or designate certain information as confidential. The provisions requiring public records disclosure must be interpreted liberally while the exemptions are interpreted narrowly to effectuate the general policy favoring disclosure.

Personal information in files maintained for employees, appointees, or elected officials of any public agency is exempt from public inspection and copying to the extent that disclosure would violate the employee's right to privacy. A court must find two elements to determine that a person's right to privacy is invaded: (1) the disclosure would be highly offensive to a reasonable person; and (2) the disclosure is not of legitimate concern to the public. Numerous court decisions have held that certain information in files maintained for public employees is of legitimate public concern and therefore not exempt from disclosure under the PRA.

Various types of information related to law enforcement and criminal justice are exempt from public disclosure, including the following:

- intelligence and investigative information essential to effective law enforcement or for the protection of a person's privacy;
- information revealing the identities of witnesses, victims, or complainants of crime, if disclosure would endanger their safety;
- investigative reports prepared pertaining to sex offenses;
- applications for concealed pistol licenses;
- information revealing the identity of child victims of sexual assault;
- the statewide gang database;
- data from the electronic sales tracking system for certain pharmaceutical drugs;
- information from recipients of the statewide unified sex offender notification system;
- information relating to local security alarm system and vacation crime watch programs;
- the conviction database of felony firearm offenders;
- the identities of public employee whistleblowers; and
- security threat group status information.

Summary: Global Positioning System data that indicates the location of the residence of an employee of a criminal justice agency is exempt from public disclosure. A criminal justice agency is a court or any other agency performing and allocating a substantial part of its budget to the

detection, apprehension, detention, pretrial release, post-trial release, prosecution, adjudication, correctional supervision, or rehabilitation of accused persons or criminal offenders.

Votes on Final Passage:

Senate	48	0
House	91	6

Effective: July 24, 2015

2SSB 5486
C 117 L 15

Creating the parents for parents program.

By Senate Committee on Ways & Means (originally sponsored by Senators Frockt, O'Ban, Darneille, Fraser, Miloscia, Rolfes, Hargrove, Billig, Ranker, Hewitt, Kohl-Welles and McAuliffe).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Early Learning & Human Services
House Committee on Appropriations

Background: The Department of Social and Health Services (DSHS) or any person may file a petition in court to determine if a child should be a dependent of the state due to abuse, neglect, abandonment, or because there is no parent or custodian capable of caring for the child. If the court determines that the child is dependent, then the court will conduct periodic reviews and make determinations about the child's placement and the parents' progress in correcting parental deficiencies. Under certain circumstances, the court may order the filing of a petition for the termination of parental rights.

The Parents for Parents Program was created to increase the number of family reunifications, where appropriate, while decreasing the length of time needed to establish permanence. The program currently operates under DSHS and exists in seven counties: Grays Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston/Mason.

Summary: The Parents for Parents Program provides peer mentoring for families in the dependency court system increasing parental engagement, and contributes to family reunification. Subject to amounts appropriated for this purpose, the program is funded through the Office of Public Defense and is centrally administered through a pass-through to a Washington State nonprofit lead organization.

The program's outreach and support to parents is provided by a "child welfare parent mentor," which means a parent who has successfully resolved the issues that led the parent's child into the care of the juvenile dependency court system, resulting in family reunification or another permanency outcome, and who has an interest in working collaboratively to improve the lives of children and families. Components of the Parents for Parents Program, provided by child welfare parent mentors, must include the following:

- outreach and support to parents at dependency-related hearings, beginning with the Shelter Care Hearing;
- a class that educates parents about the dependency system they must navigate in order to have their children returned, empowers them with tools and resources they need to be successful with their case plan, and provides information that helps them understand and support the needs of their children;
- ongoing support to help parents overcome barriers to success in completing their case plan; and
- structured, curriculum-based peer support groups.

Each local program contract with the lead organization, and each local program must be locally administered by the county superior court or a nonprofit organization that serves as the host organization. A child welfare parent mentor lead provides program coordination and maintains local program information. The lead organization provides ongoing training to the host organizations, statewide program oversight and coordination, and maintains statewide program information.

Subject to amounts appropriated for this purpose, a report must be conducted on the program. A preliminary report on the program must be provided to the Legislature by December 1, 2016, and must contain, at a minimum, statistics showing rates of attendance at court hearings; compliance with court-ordered services and visitation; and whether participating in the program affected participants' overall understanding of the dependency court process. A subsequent report must be provided to the Legislature by December 1, 2019, and must also include statistics demonstrating the effect of the program on reunification rates and lengths of time families were engaged in the dependency court system before achieving permanency.

Votes on Final Passage:

Senate	48	0
House	83	14

Effective: July 24, 2015

SSB 5488
C 118 L 15

Concerning applied behavior analysis.

By Senate Committee on Health Care (originally sponsored by Senators Keiser, Jayapal, Parlette and Cleveland).

Senate Committee on Health Care
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: Central Washington University describes applied behavior analysis (ABA) as a systematic approach to the assessment and evaluation of behavior, and the application of interventions that alter behavior.

In 2014 the Washington State Department of Health (DOH) undertook a sunrise review of the behavior analyst profession. The sunrise review found that some of ABA provider requirements currently exist solely for insurance reimbursement for autism spectrum disorders (ASD) and other conditions. As a result, some providers have obtained counseling or other health care credentials to meet requirements of insurers who cover ABA services. Medicaid reimbursement requires a state license for medically necessary treatment of ASD and other developmental disorders. The Health Care Authority (HCA) and Department of Social and Health Services (DSHS) regulations for ABA services include credentialing and referral requirements.

The sunrise review further found that the system provides some level of public protection for individuals using ABA services because the providers must meet minimum credentialing qualifications and are subject to background checks and regulatory oversight. However, private-pay clients of ABA providers do not have the same protections and there are waitlists to access ABA services because some qualified providers are limited from practicing.

DOH provided the following recommendations:

- behavior analysts and assistant behavior analysts should be licensed in Washington, since the sunrise review criteria for a new profession have been met;
- a bill should clarify that the use of behavior techniques alone, such as positive reinforcement and antecedent stimuli, does not constitute the practice of ABA;
- that any bill language use the term applied behavior analysis rather than behavior analysis because it is more commonly understood by other health care providers and the public; and
- that in the absence of an amended definition of the scope of practice, DOH would alternatively recommend title protection for the ABA profession.

Summary: Three behavior analysis professions are established in Washington:

- certified behavior technicians, defined as paraprofessionals who implement a behavior analysis treatment plan under the close, ongoing supervision of a licensed behavior analyst or a licensed assistant behavior analyst, but who do not design or supervise implementation of a treatment plan;
- licensed assistant behavior analysts, defined as individuals who are licensed to engage in the practice of applied behavior analysis (ABA) under the supervision of a licensed behavior analyst; and
- licensed behavior analysts, defined as an individuals who are licensed to engage in the practice of applied behavior analysis.

Scope of Practice. The practice of ABA includes:

- the design of instructional and environmental modifications based on scientific research, observation, and measurement of behavior;
- empirical identification of functional relations between behavior and environment factors; and
- utilization of contextual factors, motivation, stimuli, positive reinforcement, and other consequences to assist individuals.

The practice of ABA does not include psychological testing, diagnosis of mental or physical disorders, neuropsychology, psychotherapy, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, or counseling as treatment modalities.

No person may engage in the practice of ABA unless they are licensed. Those not licensed may not represent themselves as a licensed behavior analyst.

Licensure. Applicants for licensure must meet certain requirements.

For behavior analysts, requirements include the following:

- a masters or doctorate in behavior analysis or other related field;
- completion of a minimum of 225 classroom hours at the graduate level;
- completion of a supervised experience requirement, consisting of a minimum of 1500 hours; and
- completion of an examination.

For assistant behavior analysts, requirements include the following:

- a bachelor's degree;
- 135 classroom hours of instruction in behavior analysis topics; and
- a minimum of 1000 hours of supervised experience.

For certified behavior technicians, requirements include:

- completion of a training program of at least 40 hours.

All three of the professions must demonstrate good moral character, not engage in unprofessional conduct, not be subject to disciplinary action, and be able to practice with reasonable skill.

Licenses are valid for two years.

A temporary license may be granted to a person who does not reside in Washington if they are licensed to practice ABA in another state or province of Canada. A temporary license holder may only practice for a limited period of time, as defined by the Secretary of DOH. A person holding a license in another state or province of Canada may receive a Washington license if the other state or

province have substantially equivalent licensing standards.

This license does not prohibit or restrict the following:

- a person employed by the United States government from acting solely under the direction or control of the agency by which they are employed;
- an employee of a school acting in the performance of their regular duties, so long as the employee does not offer behavior analytic services;
- the practice of ABA by a college or university student participating in a course of study, who is supervised by faculty and clearly indicates their trainee status;
- implementation of a behavior analysis treatment plan by a family member or legal guardian; or
- the practice of ABA with animals.

Advisory Committee. A Washington State ABA advisory committee is established consisting of five members:

- three who are licensed behavior analysts;
- one who is a licensed assistant behavior analyst; and
- one member of the public.

It is recommended that one of the advisory committee members be a licensed behavior analyst and have an additional mental health license, such as a psychiatrist.

The Secretary of DOH must consult the committee in determining the qualifications for licensure or certification.

Votes on Final Passage:

Senate	49	0
House	92	5

Effective: July 1, 2015
July 24, 2015 (Sections 4 and 16)

ESSB 5498

C 214 L 15

Revising the uniform interstate family support act.

By Senate Committee on Law & Justice (originally sponsored by Senators Pedersen and O'Ban; by request of Department of Social and Health Services and Uniform Law Commission).

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Currently the Department of Social and Health Services (DSHS) administers the joint state and federal child support enforcement (CSE) program with state funds and matching federal funds. Federal laws require all states to apply uniform child support jurisdictional standards in a national model law, the Uniform Interstate Family Support Act (UIFSA), to qualify for federal matching funds. Many child support enforcement cases involve parents and children living in different states. UIFSA's standards prevent interstate legal conflicts and make child support enforcement administratively efficient and less expensive for the DSHS CSE program.

In addition to enforcing child support obligations, the UIFSA law standardizes the jurisdiction and substantive requirements for establishing, enforcing, or modifying child support court orders so that only one state at a time has jurisdiction. The law prevents competing and conflicting court orders in multiple states. Under UIFSA the state courts that do not have jurisdiction over the child support case recognize and refrain from taking action on the case. The law extends the requirement that states must give full faith and credit to a lawful court order from another state.

The uniform law commission updates UIFSA periodically. The most recent updates were approved in 2008. Washington uses the 2001 version of UIFSA. The 2008 UIFSA amendments address a nationally recognized problem. Parents living outside the U.S. may have past and current child support obligations that they do not pay.

For states that may mean that the parent abroad avoids the support obligation and the family here needs public assistance to meet basic living needs. In such situations, state and federally funded programs step in and provide financial support and medical coverage. Under federal and state laws, the DSHS CSE program pursues the parent for delinquent support and reimburses the state and federal public assistance costs.

For families that do not qualify for public assistance but still are owed child support, it is costly and often not feasible to try to collect unpaid support when the paying parent lives abroad. International child support enforcement is becoming a more common issue for the U.S. and for other countries when a parent living abroad doesn't pay the child support owed. The U.S. has made country-to-country agreements for collecting unpaid child support with some countries already – Australia, Canada, Czech Republic, El Salvador, Finland, Hungary, Ireland, Israel, Netherlands, Norway, Poland, Portugal, Slovak Republic, Switzerland, and the United Kingdom.

In 2007 the U.S. participated in a treaty convention, the Hague Convention on Recovery of International Child Support (Convention). The Convention follows the 2001 UIFSA law's structure. In effect the Convention adopts the UIFSA interstate jurisdiction concepts and applies them, by treaty, across international boundaries for the countries that sign onto the Convention. The U.S. signed on to the Convention, the U.S. Senate gave its advise and consent, and the President is expected to sign the treaty.

In September 2014, Congress passed a federal law requiring all states to update their UIFSA laws to incorporate the 2008 amendments so that the U.S. can apply the Convention treaty across all 50 states –.P.L. 113-183, the Preventing Sex Trafficking and Strengthening Families Act. This law gives a limited amount of time for state legislatures to act by adopting the 2008 UIFSA amendments. The law authorizes the federal Office of Child Support Enforcement to withhold the federal match for the DSHS CSE program and the federal block grant money for the

federal Temporary Assistance to Needy Families (TANF) program if Washington's law is not updated by June 30, 2015.

Summary: Washington courts, administrative agencies, or other Washington tribunals may not enforce any order issued under foreign law or by a foreign legal system that is manifestly incompatible with public policy.

The child support laws incorporate the 2008 UIFSA amendments with an effective date of July 1, 2015. The law provides guidelines and processes for child support orders when the child and one parent live in the U.S., but the parent ordered to pay child support lives in a country that agrees to the Commission treaty (participating country). The requirements apply to orders for establishing child support, modifying child support, and enforcing child support.

Washington's child custody and visitation laws, and parenting plans for custody and visitation do not change. Parentage determinations are only made if necessary to establish a support obligation. The guidelines and processes for U.S. state-to-state or intrastate child support proceedings do not change.

For child support owed to a participating country or a family from the participating country, the DSHS CSE program must help locate the parent who is here and owes support. The participating countries must provide similar help to the family, or the DSHS CSE program when they try to locate the non-paying parent for the purpose of collecting child support that is owed.

The Washington courts must enforce a foreign child support court order from a participating country when it is properly registered in Washington. Courts in participating countries must reciprocate by enforcing U.S. child support orders when the paying parent lives in the participating country. A Washington court may refuse to register a foreign court order for the following reasons:

- recognition and enforcement of the order is manifestly incompatible with public policy, including the failure of the issuing foreign tribunal to observe minimum standards of due process, which include notice and an opportunity to be heard;
- the issuing foreign tribunal lacked personal jurisdiction;
- the foreign order is not enforceable in the issuing country;
- the foreign order was obtained by fraud in connection with a matter of procedure;
- a record transmitted from the foreign CSE agency lacks authenticity or integrity;
- a proceeding between the same parties and with the same purpose is pending before a Washington court and that proceeding was the first to be filed;
- the foreign order is incompatible with a more recent support order involving the same parties and having the same purpose if the more recent support order is entitled to recognition and enforcement under Washington law;
- the paying parent has already paid, i.e. the alleged arrears have been paid in whole or in part;
- the respondent neither appeared nor was represented in the proceeding in the issuing foreign country, if the law of that country (1) provides for prior notice of proceedings, and the respondent did not have proper notice of the proceedings and an opportunity to be heard; or (2) does not provide for prior notice of the proceedings.

Washington presumes any foreign order is manifestly incompatible with public policy when enforcement of the order would result in a violation of any right guaranteed by the state or federal constitutions. If the federal support enforcement office finds this section protecting constitutional rights violates federal law that is a condition to receiving federal matching funds, DSHS must submit a request to waive any federal law conflict to the federal Department of Health and Human Services (HHS). If HHS denies the waiver, then the section protecting constitutional rights is inoperable to the extent of the federal law conflict.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 1, 2015

SSB 5501

PARTIAL VETO

C 235 L 15

Preventing animal cruelty.

By Senate Committee on Law & Justice (originally sponsored by Senators Fain, Frockt, Kohl-Welles and Chase).

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Animal Cruelty. Animal cruelty in the first degree is committed when a person: (1) intentionally inflicts substantial pain on, causes physical injury to, or kills an animal by a means that causes undue suffering; (2) with criminal negligence, starves, dehydrates, or suffocates an animal, and the animal suffers unnecessary or unjustifiable physical pain or death; or (3) knowingly engages in certain conduct involving a sexual act or sexual contact with an animal. Animal cruelty in the first degree is a class C felony.

Other Crimes Involving Animals. In addition to prohibiting animal cruelty, the state's laws regarding the prevention of cruelty to animals prohibits certain specific practices and activities involving animals. Among the law's prohibitions are transporting or confining animals in

an unsafe manner, engaging animals in exhibition fighting with other animals, and killing or stealing animals belonging to another person.

Unsafe Confinement. Transporting or confining a domestic animal in an unsafe manner is a misdemeanor. If a domestic animal is confined without necessary food and water for more than 36 consecutive hours, any person may enter the area in which the animal is confined and provide food and water. The person providing care to the animal is not subject to liability for the entry, and is entitled to reimbursement for the food and water. Investigating officers may, if it is extremely difficult to supply food and water, remove the animal and take it into protective custody.

Animal Fighting. It is unlawful to possess, sell, or train a dog or male chicken for the purpose of an animal fighting exhibition. It is also unlawful to organize, promote, watch, or wager bets on fights between dogs or male chickens. This offense is punishable as a class C felony.

Killing or Harming Livestock. It is unlawful for a person to, with malice, kill or cause substantial bodily harm to livestock belonging to another person. A violation constitutes a class C felony.

Killing or Stealing a Pet Animal. Any person who kills or obscures the identity of a pet animal, or who steals a pet animal worth $250 or less, is subject to a mandatory fine of $500 per animal. This conduct also constitutes agross misdemeanor.

Enforcement of Animal Cruelty Laws. Law enforcement agencies and local animal care and control agencies may enforce the animal cruelty law. A law enforcement officer or animal control officer may, with a warrant, remove an animal to a suitable place for care if the officer has probable cause to believe the owner has violated the animal cruelty laws and there is no responsible person available who can assume the animal's care. The officer may remove an animal without a warrant if the animal is in an immediate life-threatening situation.

Summary: It is a class 2 civil infraction to leave or confine any animal unattended in a motor vehicle or enclosed space if the animal could be harmed or killed by exposure to excessive heat, cold, lack of ventilation, or lack of necessary water. An animal control officer or law enforcement officer is authorized to enter the motor vehicle or enclosed area to remove the animal from such exposure. The officer or employing agency is not liable for any property damage related to the animal removal. The maximum penalty for a class 2 civil infraction is $125, plus statutory assessments. The civil infraction does not preclude criminal prosecution for animal cruelty.

The crime of animal fighting includes causing a minor to commit the same crime. For the crime of animal fighting, the definition of an animal is no longer limited to just dogs or male chickens.

The value limit on a pet animal, the theft of which is subject to a mandatory $500 fine, is raised from $250 to $750, which is the monetary threshold for theft in the third degree. A person in violation of the statute may also be prosecuted for animal cruelty.

Animal cruelty in the first degree is committed when a person intentionally inflicts substantial pain, causes physical injury, or kills an animal. The cruelty must be committed by a means causing undue suffering or with extreme indifference to life. Animal cruelty also includes causing a minor to inflict substantial pain, cause physical injury, or kill an animal.

Votes on Final Passage:

Senate	49	0	
House	59	38	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

Partial Veto Summary: The Governor vetoed language regarding expanded exceptions from the animal cruelty law. The vetoed language would expand the existing exception for accepted husbandry practices for commercial farming to also include non-commercial farming.

VETO MESSAGE ON SSB 5501

May 11, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 7, Substitute Senate Bill No. 5501 entitled:

"AN ACT Relating to the prevention of animal cruelty."

Section 7, by expanding the exceptions for "accepted husbandry practices" used in commercial farming to noncommercial farming, could potentially leave livestock and other animals subject to neglect or cruelty. Contrary to the purpose of this bill, animal control officers and prosecutors will have more difficulty enforcing animal cruelty laws in cases involving backyard farming and hobby farms.

For these reasons I have vetoed Section 7 of Substitute Senate Bill No. 5501.

With the exception of Section 7, Substitute Senate Bill No. 5501 is approved.

Respectfully submitted,

Jay Inslee
Governor

ESB 5504
C 33 L 15

Allowing additional liquor distributor employees to stock liquor under certain circumstances.

By Senators Hewitt and Hasegawa.

Senate Committee on Commerce & Labor
House Committee on Commerce & Gaming

Background: Minors are prohibited from consuming or possessing alcohol and restricted from working or entering areas where alcohol is served. There are several employment exceptions to these restrictions. For example, mi-

nors age 18 to 21 may be on an otherwise off-limit location when they are employed as: (1) professional musicians; (2) janitorial staff; (3) police officers and firefighters who are on the premises in the line of duty; and (4) licensed servers handling and selling alcohol in restaurants, snack bars, and private clubs, but not in bars, cocktail lounges, or other areas established as off-limits by the Liquor Control Board. These exceptions do not specifically require supervision by adults age 21 or older.

In other circumstances, minors must be supervised when they work with alcohol. Minors age 18 to 21 who are employees of grocery stores or wine and beer specialty shops may sell and handle beer or wine, but an adult aged 21 or older must supervise all sales of alcohol on the premises.

Minors age 18 to 21 who are employees of nonretail licensees – wholesalers, manufacturers, breweries, and wineries – may stock, merchandise, and handle beer and wine for their employer but only on and around the nonretail premises, and only when supervised by an adult age 21 or older.

Summary: Employees of a nonretail liquor licensee, age 18 to 21, are generally prohibited from handling, transporting, or possessing liquor. An exception is provided for the minors to stock, merchandise, or handle any liquor while: (1) working at the nonretail business if they are supervised by an adult age 21 or older; or (2) working at a retail licensee's premises, except between the hours of 11:00 p.m. and 4:00 a.m., when an adult, employed by the retail licensee, is present at the premises while the work is being performed.

Acts or omissions in violation of the state liquor laws by a nonretail liquor licensee's employee, occurring on the premises of the retail licensee, is the responsibility of the nonretail employer. Retail licensee employers are still responsible for any violations by their own employees.

Votes on Final Passage:

Senate	46	3
House	95	2

Effective: July 24, 2015

ESB 5510

C 178 L 15

Simplifying and adding certainty to the calculation of workers' compensation benefits by creating a working group to develop recommendations.

By Senators Braun, Baumgartner, Rivers and Angel.

Senate Committee on Commerce & Labor
House Committee on Labor

Background: Under the state's industrial insurance laws, workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. Depending on the disability, workers are entitled to medical, temporary time-loss, and vocational rehabilitation benefits, as well as benefits for permanent disabilities.

Time-loss benefits are wage replacement benefits for workers who cannot work because of their injury. The amount of time-loss benefits is a percentage of the worker's pre-injury wages, and adjusts depending on the marital status of the worker and the number of the worker's children.

The monthly wages the worker received from all employment at the time of injury are used to calculate time-loss benefits. The statutory definition of wages includes medical, dental, and vision benefits; the reasonable value of room and board, housing, heating fuel, or similar considerations received from the employer as part of the worker's income; bonuses received in the last 12 months from the employer of injury; and tips reported to the employer for federal income tax purposes. The monthly wage calculation for seasonal and part-time workers is determined using the total wages earned, including overtime, from all employment in a consecutive 12-month period preceding the injury, which fairly represents the employment pattern.

Workers who suffer certain types of injuries and workers whose injuries preclude any further gainful employment are entitled to permanent total disability pensions. Pension benefits are paid monthly, and are based on the amount of time-loss compensation to which the worker is entitled.

Summary: The Department of Labor and Industries (L&I) must convene a benefit accuracy working group, by August 1, 2015, to focus on improving the accuracy, simplicity, fairness, and consistency of calculating and providing wage replacement benefits. Workgroup members are appointed by the director of L&I, and are composed of two members representing labor, two members representing employers, and at least two members representing L&I. The working group must report to the relevant committees of the Legislature by February 1, 2016, and September 1, 2016.

Votes on Final Passage:

Senate	41	8	
House	97	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 24, 2015

SSB 5518
C 92 L 15

Creating procedures to address campus sexual violence.

By Senate Committee on Higher Education (originally sponsored by Senators Kohl-Welles, Litzow, Frockt, Darneille, McAuliffe, Liias, Dammeier, Fain, Keiser, Hasegawa and Habib).

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

Background: State and Federal Laws Related to Campus Sexual Violence. The handling of sexual assaults on college and university campuses is governed by procedural guidelines under Title IX of the education amendments of 1972. The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Violence Against Women Act (VAWA) also require institutions to develop reporting protocols and disciplinary procedures for handling sexual violence incidents.

Institutions of higher education must develop their own student conduct, disciplinary, and reporting requirements.

Washington State does not have non-criminal statutory requirements for the handling of student-on-student sexual assaults. Public institutions of higher education each have student codes of conduct codified in the Washington Administrative Code.

Title IX. Every college and university that accepts federal funds must comply with Title IX.

Title IX has been interpreted by the United States Supreme Court and the United States Department of Education to require educational institutions to maintain policies, practices, and programs that do not discriminate against anyone based on sex.

A school violates a student's rights under Title IX regarding student-on-student sexual violence when: (1) the alleged conduct is serious enough to limit or deny a student's ability to participate in or benefit from the school's educational program; and (2) the school, upon notice, fails to take prompt and effective steps reasonably calculated to end the sexual violence, prevent its recurrence, and as appropriate, remedy its effects.

The Department of Education requires institutions to investigate incidence of sexual violence and have grievance procedures in place for resolving student and employee complaints of sexual discrimination. Colleges and universities must develop sexual violence procedures that at the least include the following:

- notice to students and employees of grievance procedures, including where complaints may be filed;
- application of grievance procedures to complaints filed by students or on their behalf;
- provisions for reliable and impartial investigation of complaints, including the opportunity for both the complainant and alleged perpetrator to present witnesses and evidence;
- designated and reasonably prompt time frames for the major stages of the complaint process;
- notice to the complainant and alleged perpetrator of the outcome of the complaint; and,
- assurance that the school will take steps to prevent recurrence of any sexual violence and remedy discriminatory effects on the complainant and others.

Institutions can lose federal funds for violating the requirements of Title IX.

Clery Act. The Clery Act requires institutions of higher education to record and disclose information about campus crimes to the U.S. Department of Education. An institution may be fined up to $35,000 per violation or may lose financial aid, if it violates the Clery Act reporting requirements.

Violence Against Women Act. The VAWA reauthorization in 2013 added new sexual violence offenses to Clery reporting requirements including sexual offenses, domestic violence, dating violence, and stalking. The reauthorization requires institutions to develop a statement of policy describing programs to prevent sexual violence and education programs to promote awareness. The reauthorization also requires institutions to develop a statement of policy regarding procedures for responding to a sexual violence complaint.

Summary: Various provisions regarding campus sexual violence are included.

Disciplinary Process. All institutions of higher education must refrain from establishing a different disciplinary process on the same campus for a matter of sexual violence. The disciplinary process cannot change based on the status of the student, including membership on an athletic team, fraternity or sorority, academic year, or any other characteristic.

Confidentiality and Reporting Protocols. Institutions of higher education must make information available on an annual basis to all current and prospective students, employees, and parents of students, regarding the institution's compliance with campus sexual violence confidentiality and reporting requirements. Resources must also be made available to all campus sexual assault survivors on a confidential basis, regardless of whether the survivor chooses to proceed with a formal report.

Uniform Campus Climate Survey. The four-year institutions must conduct a campus climate assessment to gauge the prevalence of sexual assault on their campuses. The State Board for Community and Technical Colleges (SBCTC) must conduct a uniform campus climate assessment survey of community and technical colleges. The surveys should assess:

1. student and employee knowledge of:
   a. their institution's Title IX coordinator's role;

b. campus policies and procedures addressing sexual assault and violence;
c. options for reporting sexual violence as a survivor or witness;
d. the availability of resources on and off campus, such as counseling, health, and academic assistance;
5. student and employee bystander attitudes and behavior;
6. whether survivors reported to the institution or law enforcement and why they did or did not report; or
7. student and employee attitudes and awareness of campus sexual violence, including any recommendations for better addressing and preventing sexual violence.

Institutions and the SBCTC must report their findings to the Governor and the higher education committees of the Legislature by December 31, 2016. The report must include a plan or proposal to undertake a statewide public awareness campaign on campus sexual violence. An assessment conducted to comply with new federal requirements pertaining to campus climate assessments fulfills this requirement.

Memoranda of Understanding. The SBCTC, Council of Presidents, and independent colleges of Washington must submit reports to the Governor and the Legislature's higher education committees by July 1, 2016, on steps taken by their institutions to enter into memoranda of understanding with local law enforcement that set forth each party's roles and responsibilities related to the prevention and response to sexual assault.

Distribution of Policies. Institutions must develop and distribute sexual violence policies and procedures that include, but are not limited to, information about their Title IX compliance officer or other individual responsible for handling sexual violence violations. Institutions must annually distribute these policies and procedures.

Votes on Final Passage:

Senate	48	0
House	85	12

Effective: July 24, 2015

SB 5532
C 8 L 15

Modifying certain Washington gift of life award provisions.

By Senators Rolfes, Bailey and Kohl-Welles.

Senate Committee on Government Operations & Security
House Committee on State Government

Background: The Washington Gift of Life award was established in 1998 to recognize the special kindness of those who donate their organs. An organ procurement organization may nominate six individuals or persons to represent all those who have donated organs. Only one award may be presented to the family of an organ donor. The Governor's office presents the awards on an annual basis in coordination with the organ procurement organization. The Washington Gift of Life award consists of the seal of Washington and is inscribed with the words: "For the greatest act of kindness in donating organs to enhance the lives of others."

Summary: The Governor's office must annually present the Washington Gift of Life award to families of organ donors. Organ procurement organizations may nominate individuals to represent all those who have donated organs during the previous calendar year. The Governor's office must present the awards on an annual basis to each eligible organ donor's family. Organ procurement organizations must seek permission from the families of organ donors selected to receive the Gift of Life award so that the name of the organ donors may be released to the Governor's office for printing of a Gift of Life Certificate and be used at Gift of Life ceremonies and events. The Washington Gift of Life award is inscribed with the words: "For the greatest act of kindness in donating organs to save the lives of others."

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: July 24, 2015

SSB 5534
C 215 L 15

Creating the certified public accounting scholarship program.

By Senate Committee on Higher Education (originally sponsored by Senators Bailey, Kohl-Welles, Hill, Conway, Rivers, Rolfes, Hargrove and Chase).

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

Background: Certified Public Accountants. Certified public accountants (CPAs) are those members of the officially accredited professional body of accountants, certified to practice accounting. The Washington Board of Accountancy (Board) governs the practice of public accountants in the state. In Washington, to be licensed as a CPA, an individual must:

1. be of good moral character;
2. meet educational standards established by rule;
3. pass an exam;
4. gain one year of practical experience;
   a. through the use of accounting, issuing reports on financial statements, management advisory, financial advisory, tax, or consulting skills;

b. while employed in government, industry, academia or public practice; or
c. meeting the competency requirements in a manner as determined by the Board; and

4. pay a fee.

Washington Board of Accountancy. The Board consists of nine members appointed by the Governor including six who have been licensed CPAs in Washington for the preceding ten years. Three members are qualified public members. Members are appointed for terms of three years. The Board collects licensure fees from CPAs practicing in Washington State. Currently, the fees that are collected can only be used for the costs of administering licenses, Board administration, keeping records, and other actions by the Board.

Washington CPA Foundation. The Washington CPA Foundation (Foundation) is part of the Washington Society of Certified Public Accountants, which is an organization dedicated to serving professional needs of CPAs, educating consumers about CPAs and their services, and encouraging students to study accounting and enter the profession. The Foundation uses endowment funds to provide scholarships to accounting students attending Washington universities.

Summary: A certified public accounting scholarship (Scholarship) is established.

Scholarships are awarded to eligible students based on merit. The Foundation is also encouraged to consider the level of financial need demonstrated by applicants who otherwise meet merit-based scholarship criteria. Scholarships are awarded every year. Scholarship awards are for one academic year, and may be reapplied for annually. A scholarship for any program participant must not exceed the cost of tuition and fees.

Eligible students are those students enrolled at an accredited Washington-based college or university with a declared major in accounting, entering their junior year or higher. This includes community college transfer students, residents of Washington pursuing an online degree in accounting, and students pursuing a masters in tax or accounting, or a Ph.D. in accounting.

The Board must contract with the Foundation to develop and administer the program.

The Foundation must establish a separate scholarship award account to receive state funds and disburse scholarship awards. The Foundation must also annually report to the Board and the Washington Student Achievement Council (WSAC) an accounting of receipts and disbursements, a list of program participants, and other outcome measures necessary to assess the impact of the program.

The Board, institutions of higher education, WSAC, and other organizations must promote and publicize the program.

A certified public accounting transfer account is also created in the custody of the State Treasurer to be used for scholarships and the administration of the program.

Votes on Final Passage:

Senate	45	4	
House	98	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 24, 2015

SSB 5538

C 264 L 15

Concerning procedures and requirements relating to the death of a tenant.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Angel and Sheldon).

Senate Committee on Financial Institutions & Insurance
House Committee on Judiciary

Background: The Residential Landlord Tenant Act (RLTA) governs the relationship between the renter of residential property (the tenant) and the property owner or the property owner's agent (the landlord). The RLTA outlines the specific duties of the landlord and the tenant and establishes procedures for each party to enforce their rights.

The RLTA does not explicitly address what procedures a landlord should follow in the case of the tenant's death. In general it is believed that under a month-to-month tenancy, notice of the tenant's death acts as a 30-day notice and signals the end of the lease. Under a longer term lease, the deceased tenant's estate would continue to be legally responsible for rental payments until the lease expires.

The law is also silent on what the landlord should do with respect to a tenant's property. The RLTA provides a procedure for landlords to follow in handling a tenant's personal property in the event that the tenant abandons the tenancy. Upon determination that the tenancy has been abandoned, and an accompanying default in the payment of rent, the landlord may take immediate possession of the tenant's personal property and store the property in a reasonably secure place. The landlord must make reasonable efforts to notify the tenant of the location where the property is stored, and of any impending sale. If the tenant does not come forward to claim the property within 45 days of notice, the landlord may sell or dispose of the property. The landlord may apply the proceeds against monies due to the landlord by the tenant. The landlord must hold any excess income for the benefit of the tenant for one year, after which the balance is property of the landlord.

The Uniform Residential Landlord and Tenant Act was codified by the Uniform Law Commission (ULC) in 1972 and subsequently adopted in 21 states, including Washington. In 2012 the ULC began meeting to address new developments affecting residential landlord and tenant law and to codify the best current practices in a re-

vised act. The ULC anticipates the act will be ready for approval mid-July of this year and the final version will be available for distribution in the fall.

Summary: The RLTA provides procedures on how a landlord must dispose of a tenant's property in the event of a tenant's death.

A tenant representative is defined according to the hierarchy of legal authority to act for the estate:

- a personal representative, if known to the landlord;
- a successor who has filed an affidavit in a small estate proceeding;
- a designated person; or
- a person who provides reasonable evidence that he or she is a successor of the deceased tenant.

Upon written request by a landlord or on the tenant's own initiative, a tenant may designate a person to act for the tenant on the tenant's death when the tenant is the sole occupant of the property. A designation must be in writing and include the following:

- contact information of a designated person in the event of the tenant's death;
- a signed statement allowing the designated person, upon the tenant's death, to access the tenant's unit and property, and to accept the tenant's security deposit for the benefit of the estate; and
- a conspicuous statement that the designation remains in effect until it is revoked in writing or replaced with a new designation.

If a tenant dies and is the only occupant of the premises, the landlord must send a notice to the personal representative, designated person, emergency contact, any known person reasonably believed to be a successor, and the deceased tenant at the address of the premises. Contents of the notice are prescribed. A tenant representative has 15 days from the date of the notice or the date through which rent is paid to respond or remove the property.

If the property is not removed within the 15-day time period, the landlord may put the property in storage and send a second notice to all known contacts and representatives with notice that the property will be sold or disposed of in 45 days.

During the 15-day period, the tenant representative may make arrangements to pay rent for an additional 60 days to arrange for orderly removal of the property. If a tenant representative makes arrangements to extend the lease, the landlord must send a notice to all known contacts and representatives with the name of the representative who made the arrangements to extend the lease, the date through which rent is paid, and a statement that any property not removed from the premises may be sold or disposed of at the end of the period through which rent is paid.

If the landlord is contacted during any of the notice periods, the landlord may turn over possession of the property to any tenant representative if the representative pays the storage costs for the property, gives the landlord a written inventory of the property removed, and signs an acknowledgment that he or she has been given possession of the property, but not ownership. The landlord has no obligation to identify all heirs or successors in order to release the property to a tenant representative. Within 14 days of removal of the property, the landlord must refund any unearned rent or deposits to the tenant representative.

If the landlord is not contacted in the 45-day period, the landlord may sell or dispose of the property. If the landlord estimates the value of the property is in excess of $1,000, the landlord must arrange to sell the property in a commercially reasonable manner. Any remaining property must be disposed of in a reasonable manner. Commercially reasonable manner and reasonable manner are defined.

The landlord, employee of the landlord, or family members may not acquire property sold or disposed of. Personal papers and photographs may not be disposed of for 90 days following the date of sale or disposition.

Upon learning of the death of a tenant, the landlord may enter the dwelling and dispose of any perishable items and turn over any animals to a tenant representative or animal control.

A landlord who violates this section is liable for actual damages; compliance will relieve the landlord from liability. The process for abandonment does not apply to the disposition of property for a deceased tenant.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

ESSB 5550

C 236 L 15

Regulating providers of commercial transportation services.

By Senate Committee on Transportation (originally sponsored by Senators Habib and Fain).

Senate Committee on Transportation
House Committee on Business & Financial Services

Background: State law currently provides for the regulation of certain private transportation providers, such as operators of aeroporters, limousines, for-hire vehicles, taxicabs, and charter and excursion buses. These regulations include various insurance requirements. However, current law does not specifically provide for the regulation of what are commonly know as ridesharing companies, i.e. companies that use a digital network or software application to connect passengers to drivers for the purpose of

providing a prearranged ride, often by use of the driver's personal vehicle.

For-hire vehicle operators are currently required under state law to obtain a surety bond or liability insurance policy with the following minimum coverage: $100,000 per person, $300,000 per accident, and $25,000 for property damage.

Summary: Commercial transportation services providers are defined as businesses that use a digital network or software application to connect passengers to drivers for the purpose of providing a prearranged ride. However, a commercial transportation services provider is not a taxicab company, charter or excursion bus, aeroporter, special needs transportation provider, or limousine. A commercial transportation services provider driver is an individual who uses a personal vehicle to provide services for passengers matched through a commercial transportation services provider's digital network or software application. Commercial transportation services are defined as all times the driver is logged into a commercial transportation services provider's digital network or software application, or until the passenger leaves the personal vehicle, whichever is later.

Commercial transportation services providers, drivers if approved by the Office of the Insurance Commissioner, or a combination of a provider and a driver, must obtain a primary automobile insurance policy covering every personal vehicle used to provide commercial transportation services, described as follows:

- before a driver accepts a requested ride: $50,000 per person; $100,000 per accident; and $30,000 for property damage; and
- after a driver accepts a requested ride: a combined single limit liability coverage of $1,000,000; and underinsured motorist coverage of $1,000,000.

Commercial transportation services insurance policies must offer personal injury protection coverage, and underinsured motorist coverage, in line with existing motor vehicle insurance law that allows for the insured to reject the coverage options.

After July 1, 2016, an insurance company may not deny a claim arising exclusively out of the personal use of the private vehicle solely on the basis that the insured, at other times, used the vehicle to provide commercial transportation services.

The commercial transportation services insurance coverage requirements are alternatively satisfied by having for-hire vehicle or limousine insurance coverage applicable to the vehicle being used for commercial transportation services.

Commercial transportation services provider drivers, for-hire vehicle operators, limousine chauffeurs, and taxicab operators are exempt from workers' compensation requirements.

Votes on Final Passage:

Senate	30	18	
House	86	12	(House amended)
Senate	43	5	(Senate concurred)

Effective: July 24, 2015

SB 5556

C 34 L 15

Concerning irrigation district administration.

By Senators Warnick, Hatfield and Honeyford.

Senate Committee on Agriculture, Water & Rural Economic Development
House Committee on Local Government

Background: Once an irrigation district's assessment on a property within the district becomes delinquent, the assessment lien on the property is subject to foreclosure. After completion of a title search, foreclosure proceedings may be conducted by the treasurer of the district. In the alternative, the county treasurer may combine foreclosure of real property tax liens with those of the district's. Notice and summons to defend or pay must be given to all parties in interest who are disclosed by the title search.

Creation of a board of joint control is authorized in some circumstances for two or more districts to combine in projects perceived by all participating districts to be of joint benefit. The powers and duties of the districts participating in a joint board continue unaffected within their several districts.

Summary: Holders of recorded easements need not be served with notice and summons and any treasurer's deed subsequently issued is subject to these easements.

Statutes are repealed that require joint boards to prepare budgets for the joint boards and provide notice and hearing of those budgets.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

ESSB 5557

C 237 L 15

Addressing services provided by pharmacists.

By Senate Committee on Health Care (originally sponsored by Senators Parlette, Conway, Rivers, Dammeier, Becker, Frockt, Schoesler, Keiser, Jayapal, Warnick and Honeyford).

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: The 1995 Legislature created the requirement for all health plans to permit every category of health

care provider to provide health services included in the Basic Health Plan services. The health care services must be within the scope of practice for the provider and the providers must agree to health plan standards on such areas as the provision of care, utilization review, cost containment, management and administrative procedures, and the provision of cost-effective and clinically efficacious care.

In general, pharmacists have not been included in health plan networks while health plans have contracted with pharmacies or pharmacy benefit managers. A 2013 Attorney General Opinion confirmed that pharmacists are health care providers and must be compensated for services included in the Basic Health Plan and within their scope of practice if the pharmacist agrees to the stated standards of the health plan. Pharmacists are regulated under RCW Chapter 18.64 and are permitted to provide health care services such as drug therapy management and other services beyond the dispensing of drugs or devices.

The Basic Health Plan was a state-sponsored health program that was discontinued with the Medicaid expansion. The covered services included physician services, inpatient and outpatient hospital services, prescription drugs and medications, chemical dependency services, mental health services, organ transplant services, all services necessary for prenatal, postnatal, and well-child care, and wellness, smoking cessation, and chronic disease management.

The federal Affordable Care Act established requirements for individual and small group health plans to cover essential health benefits, which reflect ten general categories of care: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance abuse disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services including oral and vision care.

Summary: Health plans issued or renewed on or after January 1, 2017, must not deny any health care service performed by a pharmacist if the service is within the pharmacist scope of practice, the plan would have provided benefits if the service had been performed by a physician, advanced registered nurse practitioner, or physician assistant, and the pharmacist is included in the plan's network of participating providers.

Health plans must include an adequate number of pharmacists in the network of participating providers. The participation of pharmacies in the plan network's drug benefit does not satisfy the requirement that plans include pharmacists in their networks.

For the 2016 benefit year only, health plans that delegate credentialing agreements to contracted health care facilities must accept credentialing for pharmacists employed or contracted by those facilities. Health plans must reimburse facilities for covered services performed by network pharmacists within their scope of practice per negotiations with the facility.

Health plans must permit every category of health provider to provide services included in the ten categories of care required in the essential health benefits benchmark plan, if the provider agrees to the health plan standards and if the plan covers such services or care in the essential health benefits benchmark plan. The reference to the essential health benefits does not create a mandate to cover a service that is otherwise not a covered benefit.

Votes on Final Passage:

Senate	48	0	
House	93	4	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

E2SSB 5564
PARTIAL VETO
C 265 L 15

Concerning the sealing of juvenile records and fines imposed in juvenile cases.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban, Darneille, Miloscia, Hargrove, Kohl-Welles, Fain, Jayapal, Brown, Habib, Dammeier, Frockt, Litzow, Warnick, Hasegawa and McAuliffe).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Early Learning & Human Services
House Committee on General Government & Information Technology

Background: Sealing Juvenile Records. Since 1977, juvenile offender records have been public unless sealed. Records of non-offender juvenile cases, such as dependency or adoption records, are not open to public inspection.

There are two methods by which individuals may seal their juvenile records:

- an individual may make a motion to seal the official juvenile court record, the social file, and records of the court and any other agency in the case; or
- an individual may have their record sealed during regularly held sealing hearings.

Once a juvenile record is sealed, the proceedings in the case must be treated as if they never occurred. Any subsequent criminal adjudication or adult felony charge unseals the case.

Regular Sealing Hearings. At the disposition hearing of a juvenile offender, courts must schedule an administrative sealing hearing after that offender turns age 18 and is anticipated to have completed any probation and confinement. Courts must seal the individual's juvenile court record if none of the offenses for which the court is entering

disposition are a most serious offense, a sex offense under chapter 9A.44, or a felony drug offense. Respondents must also have completed the terms and conditions of disposition, including financial obligations, to seal a record during a regular sealing hearing.

Motions to Seal Juvenile Records. An individual may also file a motion requesting that the court seal the individual's juvenile record. An individual is eligible to have the individual's record sealed under this process after remaining in the community without further conviction for a period of time and paying any restitution associated with the case. For class A felonies, an individual must remain in the community without conviction for five years. For class B felonies, class C felonies, and all misdemeanors, an individual must remain in the community without conviction for two years.

Individuals convicted of rape in the first degree, rape in the second degree, and indecent liberties with forcible compulsion are not eligible for record sealing. Other sex offenses are eligible for sealing, but an individual must be relieved of the obligation to register as a sex offender.

Legal Financial Obligations (LFOs). When an individual is adjudicated as a juvenile offender, the court may impose LFOs as part of the disposition. LFOs include victim restitution, crime victims' compensation fees, costs associated with the offender's prosecution and sentence, fines, penalties, and assessments.

Interest Rate on LFOs. LFO judgments bear interest from the date of judgment at the same rate that applies to civil judgments. The rate of interest generally applicable to civil judgments is the greater of 12 percent or four points above the 26-week treasury bill rate. As a result of low treasury bill rates, 12 percent has been the interest rate on LFOs for over two decades.

Interest that accrues on restitution is paid to the victim of the offense. All other accrued interest is split between the state and county as follows: 25 percent goes to the general fund, 25 percent goes to the Judicial Information System Account, and 50 percent goes to the county, 25 percent of which must be used to fund local courts.

Summary: Restitution. Courts are allowed to modify juvenile restitution amounts at any time, including the time of a contested record-sealing hearing for good cause shown, including inability to pay. Respondents may also petition for relief from restitution. If the court determines that a juvenile has insufficient funds to pay and upon agreement of the victim, the court may order performance of a number of hours of community service in lieu of a monetary penalty, at the rate of the state minimum wage per hour. The court must allow the victim to determine the nature of the community service to be completed when it is practicable and appropriate to do so.

Courts must seal the juvenile records of individuals: who meet the existing criteria for sealing records, and if either the individual has paid the full amount of restitution owing to the individual victim named in the restitution order or has completed approved community service in full.

Information Sharing. Sealed juvenile social files are still available to law enforcement, juvenile justice, and care agencies when an investigation or case involving the juvenile is being prosecuted, or to agencies when the agency is responsible for supervising the juvenile. Juvenile records, whether sealed or not, may be provided without personal identifiers to researchers conducting legitimate research so long as the information is not used to identify an individual with a juvenile record.

Juvenile LFOs or Other Fees Modified or Eliminated. The following LFOs or other fees are eliminated for juveniles:

- fines for gross misdemeanors related to pet animals;
- fines for the crime of selling a pet animal to a research institution;
- penalties for cheating crimes;
- deferred prosecution or sentence fees;
- fees for the crime of commercial sexual abuse of a minor involving an Internet advertisement;
- general fines for felonies and misdemeanors;
- fines for interference with a health care facility;
- fines for the crime of unlawful issuance of a bank check;
- fines for the crime of theft of livestock;
- fines for the crimes of indecent exposure and prostitution;
- fines after impoundment of a vehicle upon arrest for prostitution-related and commercial sexual abuse of a minor crimes;
- appellate costs;
- interest on financial obligations;
- penalty assessments for crimes involving domestic violence;
- juvenile diversion fines;
- clerk's collection fees;
- conviction fees;
- sheriffs' fees;
- crime lab analysis fees;
- fees for crimes including driving under the influence, physical control of a vehicle under the influence, and vehicular homicide or assault;
- fees for crimes listed in the Uniform Controlled Substances Act;
- fines for the crime of intent to manufacture controlled substances;
- criminal wildlife penalty assessments for the crime of unlawful hunting of big game; and
- public defense costs.

In addition to the elimination of those LFOs, cities, towns, and counties may not impose any LFOs for juveniles without express statutory authority.

The victim's penalty assessment must be imposed when the juvenile is adjudicated of a most serious offense or a sex offense. For all other juvenile offenses that have a victim, the court shall order up to seven hours of community service, unless the court finds that this would not be practicable.

A juvenile under obligation to pay LFOs other than restitution, the victim penalty assessment, or the crime laboratory analysis fee may petition the court for modification or relief from those LFO obligations and interest accrued on those obligations for good cause shown, including inability to pay. The court shall consider factors such as, but not limited to, incarceration and the juvenile's other debts, including restitution, when determining a juvenile's ability to pay.

Other Provisions. Access to information on sealed juvenile court records is expanded to include criminal justice agencies. County clerks are authorized to interact or correspond with an offender, the offender's parents, and any holders of potential assets or wages of the offender to collect an outstanding LFOs after a juvenile court record is sealed.

Votes on Final Passage:

Senate	48	1	
House	95	2	(House amended)
Senate	46	2	(Senate concurred)

Effective: July 24, 2015

VETO MESSAGE ON E2SSB 5564

May 14, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 39(2), Engrossed Second Substitute Senate Bill No. 5564 entitled:

"AN ACT Relating to decreasing the barriers to successful community participation for individuals involved with the juvenile justice system."

This bill lowers the financial burden on juvenile offenders and their families, making it more likely that they will be able to turn their lives around and be productive members of society. Section 39(2) eliminates the legal financial obligation associated with a diversion program. The revenue from the financial obligation in section 39(2) provides substantial funding for Community Youth Services, a diversion program in Thurston county that is very successful in providing diversion services to juveniles. It is vital to continue to provide adquate [adequate] funds for these diversion services.

For these reasons I have vetoed Section 39(2) of Engrossed Second Substitute Senate Bill No. 5564.

With the exception of Section 39(2), Engrossed Second Substitute Senate Bill No. 5564 is approved.

Respectfully submitted,

Jay Inslee
Governor

ESB 5577

C 119 L 15

Concerning pharmaceutical waste.

By Senators Braun and Cleveland.

Senate Committee on Health Care
Senate Committee on Energy, Environment & Telecommunications
House Committee on Environment

Background: The Federal Resource Conservation and Recovery Act (RCRA) directs the U.S. Environmental Protection Agency (EPA) to manage hazardous waste from point of generation, transport, and treatment, to storage and disposal. RCRA sets regulations for hazardous waste generators and transporters, as well as for treatment, storage, and disposal of hazardous waste. Treatment, storage, and disposal facilities managing hazardous wastes under RCRA must be permitted to operate. Businesses generating dangerous wastes are responsible for properly managing, labeling, packaging, and disposing of the wastes. RCRA allows states to implement stricter requirements as needed.

EPA defines hazardous waste as liquid, solid, contained gas, or sludge wastes that are dangerous or potentially harmful to public health or the environment. Hazardous wastes are divided into several categories, with the major categories being characteristic wastes and listed wastes. Characteristic hazardous wastes possess traits such as flammability, reactivity, corrosivity, and toxicity. Listed hazardous wastes are those that EPA identifies as hazardous waste from certain common industrial or manufacturing processes; waste stream; or commercial grade formulations of unused chemicals. Pharmaceuticals that are designated as hazardous waste under the criteria set in RCRA must be disposed as dangerous waste as required under RCRA. State-only hazardous wastes are designated as meeting certain state criteria for toxicity and persistence.

EPA delegated the primary responsibility for the hazardous waste program to the Department of Ecology (Ecology), which is implemented under the Dangerous Waste Regulations.

Ecology's dangerous waste rules contain a conditional exclusion for certain state-only dangerous wastes. The conditional exclusion allows waste pharmaceuticals that are not a RCRA hazardous waste but a dangerous waste under the state's criteria for toxicity and persistence to be excluded from the rest of the Dangerous Waste Regulations. The designated state-only pharmaceutical waste must be incinerated at a facility permitted to incinerate municipal solid waste or at a controlled combustion unit under specified heat and temperature requirements.

Ecology developed an interim enforcement policy for managing pharmaceutical waste from patient care facilities and retail pharmacies. The policy sets forth notice, la-

beling, disposal, staff training, waste management, recordkeeping, and transporter requirements.

Summary: By September 1, 2015, Ecology must convene a workgroup to identify problems with properly managing pharmaceutical waste, and to develop recommendations. Ecology must hire a consultant with expertise in RCRA to facilitate the workgroup. Workgroup members must include representatives of specified state agencies, state-qualified pharmaceutical waste handling facilities, statewide associations representing medical doctors, hospitals, and other health care providers, and entities with expertise in managing pharmaceutical waste.

Ecology may not use information provided by pharmaceutical waste generators or handling facilities during workgroup meetings for enforcement purposes unless an activity performed or conditions at a facility pose an imminent threat of danger of death or bodily harm, or have a probability of causing environmental harm. The Legislature encourages Ecology to exercise enforcement discretion with pharmaceutical waste during the workgroup process.

By December 31, 2015, the workgroup must recommend solutions to improve pharmaceutical waste management by generators and by treatment and disposal commercial facilities. The recommendations may include the following: new or revised policies issued by Ecology; consistent interpretation and implementation of existing rules; statutory amendments; and implementation of consistent regulatory oversight of pharmaceutical waste management facilities that receive waste.

Definition of terms are specified.

Votes on Final Passage:

Senate	48	1
House	97	0

Effective: July 24, 2015

SSB 5591

C 93 L 15

Allowing emergency medical services to develop community assistance referral and education services programs.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Liias, Roach, Hasegawa, Fain, McCoy, Keiser, Pearson, Kohl-Welles, McAuliffe and Conway).

Senate Committee on Government Operations & Security
House Committee on Health Care & Wellness

Background: Community Assistance Referral and Education Services (CARES) Programs. Local fire departments may develop CARES programs to provide community outreach and assistance to local residents. CARES programs identify community members who use 911 for low-acuity assistance calls – non-emergency or non-urgent calls – and help direct these citizens to their primary care providers, other health care professionals, low-cost medication programs, and other social services. A non-emergency contact number may also be distributed as an alternative resource to the 911 system. Health care professionals may be hired as needed to assist with the CARES program. A fire department may seek grants and private gifts to support its CARES program.

Each program that is established must annually measure: (1) the reduction in the number of phone calls from those that repetitively used the 911 emergency system; (2) the reduction in avoidable emergency room trips attributed to implementation of the program; and (3) the estimated amounts of Medicaid funding that would have been spent on emergency room visits if the CARES program had not existed. Upon request the results must be reported to the Legislature or other local governments.

Currently, five local fire agencies have established CARES programs: the Kent Regional Fire Authority, the Olympia Fire Department, the Tacoma Fire Department, the SeaTac Fire Department, and Whatcom County Fire District #7.

Emergency Medical Services. Counties, emergency medical service (EMS) districts, cities, towns, public hospital districts, urban EMS districts, regional fire protection service authorities, and fire protection districts may authorize EMS levies. An EMS levy is a regular voter-approved levy which is used to provide emergency medical care or emergency medical services, including related personnel costs, training for such personnel and related equipment, supplies, vehicles, and structures needed to provide this care or service.

Emergency medical technicians (EMTs) do non-invasive basic life support at the scene of an emergency and en route to appropriate medical facilities. The permissible scope of EMT practice is limited to actions taken under the express orders of medical program directors. EMTs may not engage in freestanding or nondirected actions unless the situation presents an emergency or a life-threatening condition.

Summary: An EMS provider with tax levying authority or a federally recognized Indian tribe may develop a CARES program, seek grants and private gifts to support the program, and contract with health care professionals as needed to provide the program.

EMTs, advanced EMTs, and paramedics may participate in a CARES program if supervised by a medical program director and the participation does not exceed the EMT's, advanced EMT's, or paramedic's training or certification. EMTs, advanced EMTs, paramedics, and medical program directors are immune from liability for good faith acts or omissions as part of participation in a CARES program.

Votes on Final Passage:

Senate	37	11
House	65	31

Effective: July 24, 2015

SSB 5593
C 267 L 15

Concerning delivery and payment for health care services by hospitals for inmates and persons detained by law enforcement.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Padden, Cleveland, O'Ban, Pedersen, Becker and Kohl-Welles).

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Judiciary

Background: Washington law currently does not require law enforcement to secure or accompany a hospital patient who is in custody for a violent or sexual crime. When a violent suspect or convict is in the hospital, there is a risk of injury to other hospital patients and hospital staff.

Hospitals are defined in RCW 70.41.020 to mean an institution, place, building, or agency which provides accommodations, facilities, and services over a continuous period of 24 hours or more for observation, medical care, and diagnosis. Hospitals treat illness, injury, deformity, abnormality, or any other condition for which obstetrical, medical, or surgical services would be appropriate for care or diagnosis. Hospitals, as defined, exclude other places including clinics, physician's offices, nursing homes, birthing centers, or institutions specifically intended for use in the diagnosis and care of mental illness, intellectual disability, convulsive disorders, or other abnormal mental conditions. Hospital policy may address safety considerations for patients and staff, and that policy may vary according to institution, facility structure, and circumstances.

Summary: Any individual who is brought to a hospital to receive care and who is in custody for a violent offense or sex offense must be accompanied or otherwise secured by the officer during the time that the individual is receiving care at the hospital. An exception is provided for individuals being supervised by the Department of Corrections in the community if the custody is solely the result of a sanction for violation of conditions. In addition it is clarified that all current statutes regulating restraints' use for pregnant women and youth in custody remain unchanged.

An individual receiving medical care does not need to be accompanied or otherwise secured if:

1. the individual's medical care provider so indicates; or
2. the officer determines, using the officer's best judgment, that:
   a. the individual does not present an imminent and significant risk of causing physical harm to themselves or another person;
   b. there is no longer sufficient evidentiary basis to maintain the individual in custody; or
   c. in the interest of public safety, the presence of the officer is urgently required at another location and the officer determines, using the officer's best judgment and in consultation with the officer's supervisor, if available on duty, that the public safety interest outweighs the need to accompany or secure the individual in the hospital.

If the medical care provider determines the individual does not need to be accompanied or otherwise secured, the officer has no ongoing duty to accompany or otherwise secure the individual for the duration of their treatment by the hospital. In that circumstance, the hospital must notify the officer when the individual is expected to be released by the hospital. Even after indicating that an individual need not be accompanied or otherwise secured, the hospital may request the presence of an officer if the individual demonstrates behavior that presents an imminent and significant risk of causing physical harm to themselves or others.

If the officer determines the individual need not be accompanied or otherwise secured, the officer must notify the medical care provider that the officer is leaving the individual unattended or unsecured. In that case, the hospital has no duty to notify the officer when the individual is, or is expected to be, released from the hospital.

Additionally if the officer determines that the individual need not be accompanied or otherwise secured, the officer must notify the medical care provider that the individual is unattended or unsecured. If immediate departure by the officer is required, the officer must notify the medical care provider or other hospital staff that the individual is unattended or unsecured and the officer must make a reasonable effort to ensure a replacement officer or other means of accompanying or securing the individual as soon as reasonably possible under the circumstances. The hospital must notify the officer or the officer's designee if the individual is, or is expected to be, released from the hospital prior to the officer, or a replacement officer, returning to resume accompanying or otherwise securing the individual.

Immunity from Civil Liability. Except for actions or omissions constituting gross negligence or willful misconduct, the hospital and health care providers are immune from liability, including civil liability, professional conduct sanctions, and administrative actions resulting from the individual not being accompanied or secured.

Law enforcement officers, corrections officers, guards supplied by a law enforcement or corrections agency, and their employing departments, agencies, and representatives are immune from civil liability arising out of the failure to comply with this act, unless it is shown that, in the totality of the circumstances, the officer or agency acted with gross negligence or bad faith.

Medical Payments. A payment rate structure is created for hospital services provided to patients who are the financial responsibility of the law enforcement entity. Unless other rates are agreed to by the governing unit and the hospital, the hospital must accept as payment in full by

the governing units the applicable facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by the Washington State Department of Labor and Industries. These payments are for inpatient, outpatient, and ancillary services for confined persons that are not already paid by the Medicaid Program.

When an inmate is screened during booking or in preparation for entering jail, general information concerning the inmate's ability to pay for medical care must be identified, including insurance or other medical benefits or resources to which an inmate is entitled. The inmate may also be evaluated for Medicaid eligibility and, if deemed potentially eligible, enrolled in Medicaid. This information may be made available to the authority, the governing unit, and any provider of health services. To the extent that federal law allows, a jail or jail's designee is authorized to act on behalf of a confined person for purposes of applying for Medicaid.

Votes on Final Passage:

Senate	49	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SSB 5596
C 195 L 15

Creating a special permit for a manufacturer of wine to hold a private event for the purpose of tasting and selling wine of its own production.

By Senate Committee on Commerce & Labor (originally sponsored by Senators King, Hewitt, Kohl-Welles and McAuliffe).

Senate Committee on Commerce & Labor
House Committee on Commerce & Gaming

Background: The Liquor Control Board (LCB) issues a variety of special permits for selling, serving, and handling alcohol at specified events or to persons or entities who do not hold a liquor license. Many special permits are of limited duration for a specified purpose or event, or are issued for a purpose falling outside the commercial activities ordinarily engaged in by a licensee. For example, special permits are issued to allow for the consumption of liquor at banquets and to allow a manufacturer or distributor to donate liquor to delegates and guests at conventions and international trade fairs. Unless a fee is specified in statute, the fees for permits are generally established by the LCB.

Summary: The LCB is authorized to issue a special permit to a wine manufacturer allowing a wine tasting and sales event at a specified location on a specified date. The event may not be open to the general public and the wine tasted or sold must be of the winery's own production. The permit must be obtained from the LCB for a fee of $10 per event. The application for the permit must be submitted at least ten days prior to the event and the permit must be posted during the event. Wine manufacturers are limited to hosting not more than 12 wine-tasting events per year that require the special event permit.

Votes on Final Passage:

Senate	43	5	
House	95	2	(House amended)
Senate	40	7	(Senate concurred)

Effective: July 24, 2015

SSB 5600
C 268 L 15

Modifying certain definitions concerning the abuse of vulnerable adults.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Dammeier, Keiser, Darneille and Kohl-Welles; by request of Department of Social and Health Services).

Senate Committee on Human Services, Mental Health & Housing
House Committee on Judiciary

Background: The Abuse of Vulnerable Adults Act (Act) authorizes the Department of Social and Health Services (DSHS) and law enforcement agencies to investigate complaints of abandonment, abuse, financial exploitation, neglect, or self-neglect of vulnerable adults. The Act requires mandatory reporting and investigations. It also allows vulnerable adults to seek protection orders or file civil suits for damages resulting from abandonment, abuse, exploitation, or neglect.

A vulnerable adult includes a person who:

- is 60 years of age or older who has the functional, mental, or physical inability to care for himself or herself;
- is found to be incapacitated;
- has a developmental disability;
- has been admitted to any facility such as an assisted living facility, nursing home, adult family home, soldiers' home, or residential rehabilitation center;
- receives services from home health, hospice, or home care agencies;
- receives services from an individual provider; or
- who self-directs their own care and receives services from a person aide.

Summary: The definition of abuse includes personal exploitation of a vulnerable adult. Abuse also includes improper use of restraint against a vulnerable adult, which means the inappropriate use of chemical, physical, or mechanical restraints for convenience or discipline or in a manner that: (1) is inconsistent with federal or state licensing or certification requirements for facilities, hospi-

tals, or program authorized under chapter 71A.12 RCW; (2) is not medically authorized; or (3) otherwise constitutes abuse under this section.

Chemical restraint means the administration of any drug to manage a vulnerable adult's or client's behavior in a way that reduces the safety risk to the resident or others, has the temporary effect of restricting the vulnerable adult's freedom of movement, and is not standard treatment for the vulnerable adult's medical or psychiatric condition. Physical restraint means the application of physical force without the use of any device, for the purpose of restraining the free movement of a vulnerable adult's body. The term physical restraint does not include briefly holding without undue force a vulnerable adult or client in order to calm or comfort the client, or holding a vulnerable adult's hand to safely escort him or her from one area to another. Mechanical restraint means any device attached or adjacent to the vulnerable adult's body which the adult cannot easily remove that restricts freedom of movement or normal access to the adult's body; this does not include the use of devices, materials, or equipment that are medically authorized and used in a manner consistent with federal or state licensing or certification requirements.

Mental abuse means a willful verbal or nonverbal action that threatens, humiliates, harasses, coerces, intimidates, isolates, unreasonably confines, or punishes a vulnerable adult. Sexual abuse means any form of nonconsensual sexual conduct.

Hospital means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW and any employee, agent, officer, director, or independent contractor.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 24, 2015

SB 5603

C 196 L 15

Changing cottage food operation provisions.

By Senators Warnick and Rolfes; by request of Department of Agriculture.

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

Background: Non-potentially hazardous foods prepared in a home kitchen for sale directly to the consumer may be licensed as cottage foods by the Washington State Department of Agriculture (WSDA) if annual gross sales are under $15,000 per year.

The permit processing fee is $30 per year, paid to WSDA. In addition there is a public health review fee of $75, and an annual inspection fee of $125 for a total of $230. All fees are paid into the agricultural local fund.

Cottage food products are non-potentially hazardous baked goods, jams, jellies, preserves, and fruit butters as those terms are defined in federal regulations, and other non-hazardous foods as they are identified by WSDA by rule. Cottage food operators are persons who produce cottage food products in the home kitchen of their primary domestic residence only for sale directly to the consumer.

The annual gross sales ceiling is set by WSDA under statute and requires WSDA to set the amount at $15,000 from the beginning of the program, which was established in the 2011 legislative session and issued its first permit in June 2012. Beginning January 1, 2013, WSDA must increase this amount biennially to reflect inflation. The Cottage Food Permit exempts the holder from compliance with the Washington Food Processing Act.

Summary: The provisions for initial establishment of the $15,000 ceiling and for its adjustment by inflation are deleted. The new ceiling is $25,000.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

SB 5606

C 120 L 15

Modifying provisions related to licensing and scope of practice for dental professionals.

By Senators Jayapal, Rivers, Frockt, King, Keiser and Kohl-Welles.

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Dental hygienists must be licensed by the Department of Health (DOH) and may perform dental services only under the supervision of a licensed dentist. DOH may issue limited licenses to dental hygienists who are actively practicing in and licensed in another state that allows a substantially equivalent scope of practice to what is allowed in Washington. Dental hygienists may remove deposits and stains from the surfaces of teeth, apply topical preventive or prophylactic agents, polish and smooth restorations, perform root planing and soft tissue curettage, and perform other operations and services delegated to them by a dentist.

Dental assistants must be registered with the Dental Quality Assurance Commission (DQAC) and may perform duties authorized by DQAC after a supervising dentist personally diagnoses the condition to be treated, personally authorizes the procedures to be performed, and is continuously on-site in the treatment facility during the procedure.

Neither dental hygienists nor dental assistants may take any impression of the teeth or jaw, or the relationships of the teeth or jaws, for the purpose of fabricating any intra-oral restoration, appliance, or prosthesis.

Summary: Dental hygienists and dental assistants may take impressions of the teeth or jaw as a delegated duty pursuant to DQAC rules.

DOH may issue a limited license to dental hygienists who are actively practicing in a Canadian province and who are licensed in a Canadian province if that province allows a substantially equivalent scope of practice to what is allowed in Washington.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

ESSB 5607

C 293 L 15

Concerning the complaint procedure for the modification or termination of guardianship.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Conway, Dammeier, Darneille, O'Ban and Padden).

Senate Committee on Human Services, Mental Health & Housing
House Committee on Judiciary

Background: Any person or entity may petition the court for the appointment of a guardian or limited guardian for an allegedly incapacitated person. Incapacitated means that the individual has a significant risk of personal harm based upon a demonstrated inability to adequately provide for nutrition, health, housing, or physical safety. A guardian may be a lay guardian, generally a family member or friend of the alleged incapacitated person, or a professional guardian, who charges a fee to provide guardianship services. Professional guardians are regulated by the Certified Professional Guardianship Board. The court has supervisory power over guardianships, and may modify a guardianship or remove a guardian upon petition and showing of good cause. A guardian ad litem must be appointed to represent an allegedly incapacitated person during the guardianship proceeding.

Summary: The court may modify the authority of a guardian or limited guardian if the guardian has died or for good reason. This action may be taken on the court's own motion, based on a motion by an attorney for a person or entity, based on a motion of a person or entity representing themselves, or based on a written complaint. The court may grant relief as it deems just and in the best interest of the incapacitated person.

An unrepresented person or entity may submit a complaint to the court. Complaints must be addressed to one of the following designees of the court: the clerk of the court having jurisdiction in the guardianship, the court administrator, or the guardianship monitoring program. The complaint must:

- identify the complainant;
- identify the incapacitated person who is the subject of the guardianship;
- provide the complainant's address;
- provide the case number, if available;
- provide the address of the incapacitated person, if available; and
- state facts to support the claim.

By the next judicial day after receipt of a complaint from an unrepresented person, the court's designee must ensure the original complaint is filed and deliver the complaint to the court. Within 14 days of being presented with a complaint, the court must enter an order to do one or more of the following actions:

1. show cause, with 14 days' notice, directing the guardian to appear at a hearing set by the court in order to respond to the complaint;
2. appoint a guardian ad litem to investigate the issues raised by the complaint or take any emergency action the court deems necessary to protect the incapacitated person until a hearing can be held;
3. dismiss the complaint without scheduling a hearing, if it appears to the court that the complaint:
   a. is without merit on its face;
   b. is not filed in good faith;
   c. is filed for an improper purpose;
   d. regards issues that have already been adjudicated; or
   e. is frivolous;
6. direct the guardian to provide, in not less than 14 days, a written report to the court on the issues raised in the complaint;
7. defer consideration of the complaint until the next regularly scheduled hearing in the guardianship, if the date of that hearing is within the next three months, provided that there is no indication that the incapacitated person will suffer physical, emotional, financial, or other harm as a result of the court's deferral of consideration; or
8. order another action, in the court's discretion, in addition to doing one or more of the actions set out in this subsection.

A court may levy necessary sanctions against parties who file complaints without justification or for reason to harass or delay, with malice or other bad faith. Sanctions include but are not limited to imposition of reasonable attorney fees, costs, fees, striking pleadings, or other appropriate relief.

The Certified Professional Guardianship Board may send a grievance it has received regarding an active guard-

ian case to the court's designee with a request that the court review the grievance and take any action the court deems necessary. This type of request from the board must be treated as a complaint under this section and the person who sent the complaint must be treated as the complainant. The court must direct the clerk to transmit a copy of its order to the board. The board must consider the court order when taking any further action and note the court order in any final determination.

Votes on Final Passage:

Senate	49	0	
House	87	11	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 24, 2015

ESB 5616

C 294 L 15

Concerning pawnbroker fees and interest rates.

By Senators Benton, Hobbs, Angel, Keiser, Fain, Roach, Hatfield, Conway, Chase and Baumgartner.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services

Background: Washington regulates the business of pawnbrokers under chapter 19.60 RCW. There is, however, no state licensing requirement for pawnbrokers. Local governments may issue licenses for pawnbroker businesses and have the authority to enact provisions that are more restrictive than those in chapter 19.60 RCW. A pawnbroker is defined as every person engaged, in whole or in part, in the business of loaning money on the security of pledges, deposits, or conditional sales of personal property, or the purchase and sale of personal property.

The statutory term of a pawnbroker loan is 90 days. Every loan transaction entered into by a pawnbroker must be a written agreement, and a copy must be furnished to the pledger of the property. Interest may be charged every 30 days, and a preparation fee may be charged once for the term of the loan. If a pledged article is not redeemed within the 90-day term of the loan, the pawnbroker has all rights, title, and interest of that item of personal property. The pawnbroker is not required to account to the pledger for any proceeds received from the disposition of that property. A new loan, by agreement of the parties, may be written after the 90-day term expires.

Pawnbrokers are authorized to receive interest and loan preparation fees up to statutory limits. The schedule for the maximum amount of interest and fees that pawnbrokers may charge is set out in incremental categories. Interest charges range from $1.00 per 30-day period for a loan of less than $10.00 to 3 percent of the loan amount for loan amounts of $100 or more. The schedule of loan preparation fees contains 56 categories of loan amounts, from loans less than $5 to loans of $4,500 or more. The fee for a loan in an amount less than $5 is $1.50 and for a loan of $4,500 or more, is $91.

The pawnbroker may also charge a general storage fee of $3 and an additional $3 fee for the storage of a firearm.

The table below illustrates the maximum interest and fees permitted for certain loan amounts:

Loan Amount	30-Day Loan			90-Day Loan		
	Interest	Prep Fee	Storage	Interest	Prep Fee	Storage
$50	$2.50	$8	$3	$7.50	$8	$3
$100	$3	$13	$3	$9	$13	$3
$250	$7.50	$19	$3	$22.50	$19	$3
$500	$15	$29	$3	$45	$29	$3
$1,000	$30	$56	$3	$90	$56	$3

Summary: The interest and fees allowed for pawnbroker loans are modified. For loan amounts of $100 or more, the interest charged per 30-day period is increased to 4 percent of the loan. The one-time preparation fee for loans of $50 or more is a gradually decreasing percentage rate based on the amount of the loan. The fee ranges from 15 percent for a loan amount of $50 to $99.99 down to 6 percent for loan amounts of $2,000 or more. The interest for loan amounts of less than $100 remain at 3 percent and incremental fees stay the same for loan amounts less than $50.

The general storage fee and the firearm storage fee are each increased to $5. Both storage fees may be charged on a recurring basis, every 30 days.

The table below illustrates the maximum interest and fees permitted for certain loan amounts under this act:

Loan Amount	30-Day Loan			90-Day Loan		
	Interest	Prep Fee	Storage	Interest	Prep Fee	Storage
$50	$2.50	$7.50	$5	$7.50	$7.50	$15
$100	$4	$13	$5	$12	$13	$15
$250	$10	$20	$5	$30	$25	$15
$500	$20	$40	$5	$60	$40	$15
$1,000	$40	$75	$5	$120	$75	$15

The provisions of the bill expire on July 1, 2018.

Votes on Final Passage:

Senate	42	2	
House	96	2	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 24, 2015

SSB 5631
C 275 L 15

Concerning the administration of a statewide network of community-based domestic violence victim services by the department of social and health services.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Hargrove, O'Ban, Darneille, Pearson, Ranker, Litzow, Rolfes, Jayapal, Liias, Frockt, Dansel, Hill, Fain, Kohl-Welles, Hasegawa, Keiser, Angel, McAuliffe and Conway).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Public Safety
House Committee on Appropriations

Background: Community-Based Domestic Violence Programs and Emergency Shelters. A domestic violence program is an agency that provides shelter, advocacy, and counseling for domestic violence victims in a supportive environment. A shelter is defined as a place of temporary refuge, offered on a 24-hour, seven-day-per-week basis to victims of domestic violence and their children.

The Department of Social and Health Services (DSHS). DSHS administers state and federal funds for domestic violence programs, which include shelters. DSHS also establishes minimum standards for shelters receiving funds. The shelters must provide certain services, including food, clothing, housing, client advocacy, and counseling. For nonshelter community-based programs receiving DSHS funding, DSHS must establish minimum standards to enhance client safety and security such as by providing client advocacy, client confidentiality, and counseling.

Marriage License. The current marriage license fee is $64.

Dissolution Filing Fees. Filing fees in Washington for a petition for dissolution, legal separation, or declaration concerning the validity of marriage are established by statute. The statute requires the superior court clerk to collect an initial $110 fee from the petitioner for the initial filing. The filing fee may be waived upon showing financial hardship.

Superior court clerks must also collect an additional $30 fee. A total of $24 out of the $30 fee must be transmitted to the state for deposit in the Domestic Violence Prevention Account (DV Prevention Account) in the state treasury.

The remaining $6 is retained by the county collecting the fee for the purpose of funding community-based services for victims of domestic violence within the county. In addition the court may retain 5 percent of the $6 – which equals $0.30 – for administrative purposes.

Domestic Violence Prevention Account. DSHS administers the funds in the DV Prevention Account and may establish minimum standards for preventive, nonshelter community-based services receiving the funds. Revenue transferred into the DV Prevention Account must be used to fund nonshelter community-based services for domestic violence victims. Preventive, nonshelter community-based services include services for victims of domestic violence from communities that have been traditionally underserved or unserved and services for children who have witnessed domestic violence.

Client Records. Client records maintained by domestic violence programs that provide shelter, advocacy, or counseling are subject to discovery only by court order and are exempt from disclosure under the Public Disclosure Act to the extent that disclosure would violate personal privacy or vital governmental interests.

Summary: Community-Based Domestic Violence Programs and Emergency Shelters. A "community-based domestic violence program" is a nonprofit program or organization that provides, as its primary purpose, assistance and advocacy for domestic violence victims. Domestic violence assistance and advocacy includes: crisis intervention, individual and group support, information and referrals, and safety assessment and planning. Domestic violence assistance and advocacy may also include, but is not limited to: provision of shelter, emergency transportation, self-help services, culturally specific services, legal advocacy, economic advocacy, community education, primary and secondary prevention efforts, and accompaniment and advocacy through medical, legal, immigration, human services, and financial assistance systems.

An "emergency shelter" is a place of supportive services and safe, temporary lodging offered on a 24-hour, seven-day per week basis to victims of domestic violence and their children.

The Department of Social and Health Services. The DSHS, in consultation with relevant state departments, the Domestic Violence Coalition, and individuals having experience in domestic violence issues, including those with experience providing culturally appropriate services to populations that have traditionally been underserved or unserved, must: (1) develop and maintain a plan for delivering domestic violence victim services and access to emergency shelters across the state; (2) establish minimum standards for such programs; (3) receive grant applications; (4) distribute funds; (5) evaluate biennially each program receiving the DSHS funds for compliance; (6) review the minimum standards each biennium to ensure applicability to community and client needs; and (7) administer funds available from the DV Prevention Account.

The DSHS must establish minimum standards that ensure that community-based domestic violence programs provide client-centered advocacy and services designed to enhance immediate and long-term safety, victim autonomy, and security by means such as, but not limited to, safety assessment and planning, information and referral, legal

advocacy, culturally and linguistically appropriate services, access to shelter, and client confidentiality.

In establishing programs that provide culturally relevant prevention efforts, and age appropriate prevention and intervention services for children who have been exposed to domestic violence, or youth who have been victims of dating violence, priority for state funding must be given to: (1) those programs with a documented history of effective work in providing advocacy and services to victims of domestic violence or dating violence; or (2) those agencies with a demonstrated history of effective work with youth partnered with a domestic violence program.

For emergency shelter programs receiving the DSHS funding, minimum standards by the DSHS must be established to ensure services are provided that meet basic survival needs, such as emergency transportation, child care assistance, and safety assessment and planning. Emergency shelters receiving grants must provide client-centered advocacy and services designed to enhance client autonomy, client confidentiality, and immediate and long-term safety.

Both community-based domestic violence programs and emergency shelter programs receiving state funds must: (1) provide a location to assist victims of domestic violence who have a need for community advocacy or support services; (2) make available confidential services, advocacy, and prevention programs to victims of domestic violence and to their children within available resources; (3) require that persons employed by or volunteering for a community-based domestic violence program protect the confidentiality and privacy of domestic violence victims and their families; (4) recruit, to the extent feasible, persons who are former victims of domestic violence to work as volunteers or staff who can also provide culturally and linguistically appropriate services; (5) ensure that all employees or volunteers have sufficient training in connection with domestic violence; and (6) refrain from engaging in activities that compromise the safety of victims or their children.

Dissolution Filing Fees. The additional filing fee collected by superior court clerks for dissolution, legal separation, or declaration concerning the validity of marriage is increased to a $54 fee (this is an increase by $24 over the current $30 fee). A total of $48 out of the $54 fee must be transmitted to the state for deposit in the DV Prevention Account in the State Treasury. The remaining $6 will continue to be retained by the county collecting the fee for the purpose of funding community-based services for victims of domestic violence within the county; however, each county must annually report to the DSHS on such revenues and expenditures by December 15 of each year. The DSHS must develop a reporting form to be used by counties for uniform reporting purposes.

Domestic Violence Convictions. The penalty assessment imposed by superior, district, and municipal courts against any person convicted of a crime involving domestic violence is increased to a $115 assessment (this is a $15 increase over the current assessment). The $15 assessment must be remitted monthly to the State Treasury for deposit in the DV Prevention Account.

Domestic Violence Protection Order Violations. The courts must impose a fine of $15 for any violation of a domestic violence protection order. Revenue from the fine must be remitted monthly to the State Treasury for deposit in the DV Prevention Account.

Domestic Violence Prevention Account. Funds in the DV Prevention Account may be used only for funding:

- culturally specific prevention efforts and appropriate community-based domestic violence services for victims of domestic violence from populations that have been traditionally underserved or unserved;
- age appropriate prevention and intervention services for children who have been exposed to domestic violence or youth who have been victims of dating violence; and
- outreach and education efforts by community-based domestic violence programs designed to increase public awareness and prevention of domestic and dating violence.

Client Records. A court must order that parties of a court order are prohibited from further dissemination of any parts of records that are discoverable, and that any portion of any domestic violence program record included in the court file are to be sealed. Disclosure of domestic violence program records is not a waiver of the victim's rights or privileges under statutes, rules of evidence, or common law. If disclosure of a victim's records is required by court order, the domestic violence program must make reasonable attempts to provide notice to the recipient affected by the disclosure, and must take steps necessary to protect the privacy and safety of the persons affected by the disclosure of the information.

Votes on Final Passage:

Senate	49	0	
House	93	4	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 24, 2015

SSB 5633

C 216 L 15

Creating a coordinator for the helmets to hardhats program in the department of veterans affairs.

By Senate Committee on Ways & Means (originally sponsored by Senators Conway, O'Ban, Hobbs, Chase, Kohl-Welles, Liias, McCoy and Hatfield).

Senate Committee on Government Operations & Security
Senate Committee on Ways & Means

House Committee on Community Development, Housing & Tribal Affairs
House Committee on Appropriations

Background: Helmets to Hardhats is a national nonprofit program designed to connect National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and career opportunities in the construction industry.

The program provides former and transitioning military personnel with job postings from the building and construction trades nationwide, which can be accessed online. To apply for work or membership, a candidate for employment completes a profile that informs hiring managers what transferable skills the candidate acquired during military service. Once a candidate submits interest in a career opportunity, they are contacted by a Helmets to Hardhats representative to ensure all application requirements are met.

Summary: A coordinator for the Helmets to Hardhats program is established in the Washington Department of Veterans Affairs, subject to available funding.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	47	1	(Senate concurred)

Effective: July 24, 2015

SB 5638
C 121 L 15

Changing state need grant eligibility provisions.

By Senators Hasegawa, Roach, Kohl-Welles, Chase, Keiser and McAuliffe.

Senate Committee on Higher Education
House Committee on Higher Education

Background: The State Need Grant (SNG) program was established in 1969 to support low-income students and offset the increase of tuition. In 2014-15, to be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently $58,500 for a family of four. Awards are prorated by income categories and further prorated for part-time students: 75 percent for students taking nine to eleven credits, 50 percent for students taking six to eight credits, and 25 percent for students taking three to five credits.

In 1990 the Legislature extended SNG eligibility to students enrolled at least half-time – six quarter credits or more. In 2005 the Legislature directed the former Higher Education Coordinating Board to develop a two-year pilot project to assess the need for and feasibility of allowing students enrolled for at least four quarter credits to be eligible for SNG. Under the pilot, students attending a participating school who enrolled for four or five credits were eligible to receive a grant as long as they met the other eligibility criteria for SNG. In 2007 the Legislature extended the part-time student pilot program to students enrolled for at least three quarter credits, or the semester equivalent. The pilot program expired on June 30, 2011.

Under the 2013-15 operating budget, eligibility for SNG includes students enrolled in three to five quarter credits.

Summary: Students who are enrolled or accepted for enrollment for at least three quarter credits, or the equivalent semester hours, in a qualifying higher education program are eligible for SNG.

The expired pilot program allowing less-than-half-time students to be eligible for the SNG program is removed from statute.

Votes on Final Passage:

Senate	48	0
House	91	6

Effective: July 24, 2015

SB 5647
C 295 L 15

Allowing counties to create guardianship courthouse facilitator programs.

By Senators Conway, Dansel and Fraser.

Senate Committee on Human Services, Mental Health & Housing
House Committee on Judiciary

Background: Any person or entity may petition the court for the appointment of a guardian or limited guardian for an allegedly incapacitated person. Incapacitated means that the individual has a significant risk of personal harm based upon a demonstrated inability to adequately provide for nutrition, health, housing, or physical safety. Guardians can reduce the likelihood of such problems by managing finances, arranging for health care, organizing living arrangements, and assisting in other ways. A guardian may be a lay guardian, generally a family member or friend of the alleged incapacitated person, or a professional guardian, who charges a fee to provide guardianship services. The court has supervisory power over guardianships, and may modify a guardianship or remove a guardian upon petition and showing of good cause. A guardian ad litem must be appointed to represent an allegedly incapacitated person during the guardianship proceeding.

Any person, including an incapacitated person, may apply to the court for an order to modify or terminate a guardianship order or to replace a guardian or limited guardian. Unless courts direct otherwise, clerks must schedule hearings within 30 days of receiving the requests.

Courthouse facilitator programs exist in counties across the state and provide information and referrals to litigants who are not represented by attorneys. Most facil-

itator offices exist in the county courthouses and are specific to family law. Litigants usually meet with facilitators on a walk-in basis or by pre-scheduled appointments. Facilitators can assist pro se litigants by providing the following: information on how to start certain legal actions; information on what forms are needed and where to get them; information on court rules, procedures, and case schedules; assistance on forms to ensure completeness; and information on other court and community resources.

Summary: A court may create a guardianship courthouse facilitator program to provide basic services to pro se litigants in guardianship cases. The legislative authority of any county may impose a surcharge of up to $20 or may impose user fees, or both, to pay for the expenses of the program. Fees collected must be collected and deposited in the same manner as other county funds are collected and deposited, and must be maintained in a separate guardianship courthouse facilitator account.

Votes on Final Passage:

Senate	48	0	
House	80	17	(House amended)
Senate	47	1	(Senate concurred)

Effective: July 24, 2015

E2SSB 5649

C 269 L 15

Concerning the involuntary treatment act.

By Senate Committee on Ways & Means (originally sponsored by Senators Darneille, Miloscia, Fraser, Keiser, Parlette, Benton, McCoy and Dammeier).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Judiciary
House Committee on Appropriations

Background: The Involuntary Treatment Act (ITA) allows a designated mental health professional (DMHP) to detain a person when the DMHP finds that the person, as a result of a mental disorder, presents a likelihood of serious harm or is gravely disabled, and that the person has refused voluntary treatment. The ITA requires persons to be detained to an evaluation and treatment facility (E&T). An E&T is defined as any facility which can provide directly or by arrangement with other agencies emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and which is certified as such by the Department of Social and Health Services (DSHS).

When a person is held for initial evaluation in an emergency room, triage facility, or crisis stabilization unit, the DMHP must detain the person to an E&T or release the person within six hours of the time that facility staff determines a DMHP evaluation is necessary, or within 12 hours from arrival at the facility if the person was brought in by a peace officer.

In August the Washington Supreme Court decided *In re D.W.*, 181 Wn.2d 201 (2014), in which the court determined that current statutes and rules under the ITA do not allow DSHS to temporarily certify single E&T beds unless the person requires a service which is not available at an E&T, and do not authorize single bed certification based on lack of room at a regularly certified E&T facility. In response DSHS enacted emergency rule changes in August, September, and December. Washington Administrative Code now allows DSHS to grant a single bed certification if the single bed certification is to a facility that is willing and able to provide timely and appropriate mental health treatment, either directly or by arrangement with other agencies. Examples of facilities that may be approved for single bed certifications include community facilities, residential treatment facilities, hospitals with psychiatric units, psychiatric hospitals, and hospitals that are willing and able to provide timely and appropriate mental health treatment. Also in response, DSHS collaborated with the Governor's Office and others to make 145 additional regularly certified E&T beds available for detention in King, Pierce, and Snohomish counties by the end of 2014, with additional expansion of beds planned in 2015.

Summary: Regional support networks (RSNs) must provide for an adequate network of E&T services to ensure access to treatment for persons who meet ITA detention criteria. DSHS must collaborate with the RSNs and the Washington State Institute for Public Policy to estimate the capacity needed for E&T services within each regional service area, including consideration of average occupancy rates needed to ensure access to treatment. Each RSN must develop and maintain an adequate plan to provide for E&T service needs.

A DMHP must submit a report to DSHS within 24 hours if the DMHP determines that an adult or minor meets ITA detention criteria but there are not any E&T beds available to admit the person within the time available for evaluation, and the person cannot be served through a single bed certification or less restrictive alternative (LRA). DSHS must develop a standardized form for the DMHP to use to submit this report, including a list of facilities which refused to admit the person. DSHS must promptly share reported information with the responsible RSN and require the RSN to attempt to engage the person in services and report back within seven days. DSHS must track and analyze these reports and initiate corrective actions, including but not limited to enforcement of contract remedies and requiring expenditure of reserve funds, to ensure that each RSN has implemented an adequate plan to provide for E&T services. An adequate plan may include development of LRAs to involuntary commitment such as crisis triage, crisis diversion, voluntary treatment, or prevention programs reasonably calculated to reduce the demand for E&T services. DSHS must

publish quarterly reports on its website summarizing information submitted by DMHPs and the number of single bed certifications granted by category.

DSHS may approve the single bed certification of E&T beds to be used for detention under the ITA, if the bed is located in a facility that is willing and able to provide timely and appropriate treatment to the person, either directly or by arrangement with other public or private agencies. A single bed certification must be specific to the patient receiving treatment. A DMHP who submits an application for single bed certification in good faith at a facility that is willing and able to provide timely and appropriate treatment may presume that the application will be approved for the purpose of completing the detention process and responding to other emergency calls.

The six-hour time limit for a DMHP to complete an evaluation of a person held in an emergency room or triage facility, or 12-hour time limit to complete the evaluation if the person was placed in the facility by a peace officer, must start upon notification to the DMHP of the need for evaluation and must not begin until there is medical clearance. Medical clearance means a physician or other health care provider has determined that the person is medically stable and ready for referral to the DMHP. Dismissal of the commitment petition is not an appropriate remedy for violation of these timeliness requirements except in the few cases where the facility staff or DMHP has totally disregarded statutory requirements.

The intent of the ITA is updated to include protecting the health and safety of persons suffering from mental disorders and protecting public safety through use of the *parens patriae* and police powers of the state. When construing ITA requirements, courts must focus on the merits of the petition, except where requirements have been totally disregarded.

Votes on Final Passage:

Senate	46	3	
House	90	7	(House amended)
Senate	45	2	(Senate concurred)

Effective: July 24, 2015
May 14, 2015 (Sections 1-9 and 11-13)
April 1, 2016 (Sections 10 and 14)

SB 5650
C 238 L 15

Modifying provisions governing inmate funds subject to deductions.

By Senators Padden, Darneille, Pearson and Kohl-Welles; by request of Department of Corrections.

Senate Committee on Law & Justice
House Committee on Public Safety
House Committee on General Government & Information Technology

Background: When an inmate receives any funds in addition to the inmate's wages or gratuities, those funds are subject to the following deductions:

- 5 percent to the crime victims' compensation account;
- 10 percent to a Department of Corrections personal inmate savings account;
- 20 percent for payment of legal financial obligations for all inmates who have legal financial obligations owing in any Washington State superior court;
- 20 percent for any child support owed under a support order;
- 20 percent to the Department of Corrections to contribute to the cost of incarceration; and
- 20 percent for payment of any civil judgment for assault for all inmates who are subject to a civil judgment for assault in any Washington State court or federal court.

When an inmate receives any funds from a settlement or award resulting from a legal action, those additional funds are also subject to deductions. Money received for postage expenses and money received for educational programs are not subject to deductions.

Summary: Any money received by the Department of Corrections on behalf of an inmate from family or other outside sources for the payment of certain medical expenses is not subject to deductions. This money may only be used for the payment of medical expenses associated with the purchase of eyeglasses, over-the-counter medications, and offender copayments. Funds received specifically for these purposes may not be transferred to any other account or purpose. Money that remains unused in the inmate's medical fund at the time of release is subject to deductions.

Votes on Final Passage:

Senate	46	2	
House	97	0	(House amended)
Senate	43	3	(Senate concurred)

Effective: July 24, 2015

SB 5662
C 94 L 15

Authorizing a licensed domestic brewery or microbrewery to provide promotional items to a nonprofit charitable corporation or association.

By Senators Kohl-Welles, Honeyford, Braun, Mullet and Rolfes.

Senate Committee on Commerce & Labor
House Committee on Commerce & Gaming

Background: Washington's tied-house laws regulate the relationship between liquor manufacturers, distributors – industry members, and retailers. In general, tied-house laws are meant to regulate how liquor is marketed and prevent the vertical integration of the three tiers of the liquor

industry. The general rule is that no industry member may advance and no retailer may receive money or money's worth under an agreement or by means of any other business practice or arrangement.

There are numerous exceptions to the tied-house laws. Among them are exemptions for branded promotional items provided by alcoholic beverage producers to retailers; domestic wineries performing personal services such as participation and pouring, bottle signing events, and informational or educational activities for certain retailers; and advertising of liquor products by professional sports teams holding a retail liquor license.

Summary: A new exemption to the tied-house law is added to allow domestic breweries and microbreweries to provide branded promotional items of nominal value to 501(c)(3) nonprofit organizations. The items must be used in a manner consistent with the organization's charitable purpose.

Votes on Final Passage:

Senate	44	5
House	97	0

Effective: July 24, 2015

SSB 5679

C 217 L 15

Concerning transition services for special education students.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, Litzow, Dammeier, Hasegawa, Liias, Chase, Rolfes, Jayapal, Parlette and Conway).

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

Background: The Legislature has authorized the State Board of Education (SBE) to establish the minimum state requirements for high school graduation, within certain parameters established by the Legislature. SBE has established the state minimum requirements in the agency's rules. The rules require each student to have a High School and Beyond Plan for their high school experience, including what the student expects to do the year following graduation.

Under state special education laws and the federal Individuals with Disabilities Education Act (IDEA), public school districts must provide a free and appropriate education for students with a disability. An appropriate education is specially designed instruction and related services to address the unique needs, abilities, and limitations of the student with a disability.

Under IDEA, an Individualized Education Program (IEP) guides a student's learning while in a special education program. It describes the amount of time the student will spend receiving special education, any related services the student will receive, and the academic and behavioral goals and expectations for the year. The IEP is developed and revised annually by an IEP team, which includes the student's parent or guardian, one of the student's general education teachers, one special education teacher, a representative of the school district, someone who can interpret assessment results, and others who may have special knowledge or expertise. Under IDEA, transition services must be included in the IEP beginning at age 16, or earlier if appropriate. The transition services must be designed to facilitate the student's movement from school to postsecondary activities including education, vocational education, integrated or supported employment, adult services, and independent living, as appropriate.

The Office of Superintendent of Public Instruction (OSPI) collects data on students receiving special education, which must be submitted annually to the U.S. Department of Education. In November 2014 OSPI reported there were 9173 students age 14 and 9240 students age 15 receiving special education in Washington.

Current state law requires OSPI to establish interagency agreements with the Department of Social and Health Services, the Department of Services for the Blind, and any other state agency that provides high school transition services for special education students in order to foster collaboration among the multiple agencies providing transition services.

Summary: The multiple agencies that provide transition services for special education students must do so as soon as educationally and developmentally appropriate. The transition services must be addressed in a transition plan in the IEP of a student with disabilities. Transition planning must be based on educationally and developmentally appropriate transition assessments that outline the student's needs, strengths, preferences, and interests. Transition services include activities to assist the student reach postsecondary goals and courses of study to support the goals. Transition activities may include instruction, related services, community experience, employment and other adult living objectives, daily living skills, and functional vocational evaluation. As a student gets older, changes in the transition plan may be noted at the annual update of the student's IEP. A student with disabilities who has a High School and Beyond Plan may use that plan as the required transition plan.

To determine the postsecondary goals of the student, a discussion should take place with the student, the student's parents, and others, as needed. The goals must be measurable and based on transition assessments, when necessary. The goals must also be based on the student's needs, strengths, preferences, and interests.

Votes on Final Passage:

Senate	48	0	
House	84	13	(House amended)
Senate			(Senate refused to concur)
House			(House insisted on its position

Senate			(Senate insisted on its position
House	91	7	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

ESSB 5681
C 31 L 15 E 3

Concerning state lottery accounts.

By Senate Committee on Ways & Means (originally sponsored by Senators Hill and Angel; by request of Office of Financial Management).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Washington Lottery was established in 1982. The Lottery sells a variety of products, including scratch-off ticket games, Keno, multi-jurisdictional number-picking games such as Powerball and Mega Millions, and other games of chance. Lottery revenues are used to fund the following purposes: (1) Washington Opportunity Pathways Account; (2) debt payments on stadium bonds; (3) problem gambling education; (4) economic development; and (5) the general fund.

The State Lottery Account is a non-appropriated enterprise account for all revenues from the sale of lottery products and expenses for payment of prizes to lottery winners, cost of sales, and retailer commissions. The State Lottery Account must be a separate account outside the state treasury. The Lottery Administrative Account is an appropriated account in the state treasury used to fund costs incurred in the operations and administration of the Lottery.

Summary: On June 30 of each fiscal year, any balance of unclaimed prizes in excess of $10 million must be transferred to the Washington Opportunity Pathways Account. Funds in the Lottery Administrative Account may be used to fund Lottery revenue forecasts by the Economic and Revenue Forecast Council. Funds from the State Lottery Account may be transferred to the Gambling Revolving Account in amounts as directed by the omnibus appropriations act.

Votes on Final Passage:

Senate	49	0
First Special Session		
Senate	44	0
Third Special Session		
Senate	45	0
House	90	8

Effective: October 9, 2015

SB 5692
C 270 L 15

Addressing permanency plans of care for dependent children.

By Senators Hargrove and Darneille; by request of Department of Social and Health Services.

Senate Committee on Human Services, Mental Health & Housing
House Committee on Early Learning & Human Services

Background: Permanency Plan. When a child is ordered removed from the home of a parent, the Department of Social and Health Services (DSHS) or supervising agency assumes responsibility for developing a permanency plan no later than 60 days after assuming responsibility. The permanency planning process must include reasonable efforts to return the child to the home of the parent. The supervising agency must submit a written permanency plan to all parties and the court at least 14 days before the scheduled hearing.

The permanency plan must identify the primary goal of the case and may identify alternative goals. These goals could include returning the child to the child's parent, guardian, or legal custodian; adoption; guardianship; permanent legal custody; long-term relative or foster care; successful completion of a responsible living program; or independent living. Unless the court has ordered the filing of a petition to terminate parental rights, the plan must include what steps will be taken to return a child home. All aspects of the plan must include the goal of achieving permanence for the child.

The plan must further specify what services the parents will be offered to allow them to resume custody, the requirements parents must meet to resume custody, and a time limit for each service and requirement.

Dependency Review Hearings. A court must review the status of all children found to be dependent at least every six months from the date a child was placed out of the child's parent's home or the date dependency is established, whichever is first. The purpose of these hearings is to review the progress of the parties and determine whether court supervision should continue.

The first review hearing must be an in-court review and be set six months from the beginning date of the child's placement out of home or no more than 90 days from the entry of the disposition order, whichever is first.

A child may not be returned home at a review hearing unless the court finds that a reason for removal no longer exists. If a child is returned home, casework must continue for six months, when there must be a hearing on the need for continued intervention.

If a child is not returned home at a review hearing, the court must establish in writing various determinations. Some of these determinations include the following:

- whether the supervising agency is making reasonable efforts to provide services to the family and eliminate the need for out-of-home placement;
- whether the parties complied with the case plan; and
- whether progress was made in correcting the problems that led to out-of-home care.

Federal Law. H.R. 4980 which passed into law in 2014, provides that all states must limit the use of another planned permanency living arrangement – i.e. long-term foster care – to youth ages 16 or older. States have until October 1, 2015, to comply with this requirement. Noncompliance would potentially jeopardize future Title IV-E funding. Washington's statute provides for long-term relative or foster care until the child is age 18.

Summary: Children between the ages of 16 and 18 may be placed in long-term relative or foster care under a permanency plan. Children under 16 may remain placed with relatives or in foster care when deemed appropriate.

If a goal of long-term foster care has been achieved prior to the permanency planning hearing and the court determines that the plan for the child's care remains appropriate, the court must find that another planned permanent living arrangement is the best permanency plan for the child and provide compelling reasons why it continues to not be in the child's best interest to return home, be placed for adoption, be placed with another legal guardian, or be placed with a fit and willing relative. If the child is at the hearing, the court should ask the child about the child's desired permanency outcome.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

SB 5693

C 271 L 15

Authorizing the department of social and health services special commitment center to seek eligibility and reimbursement for health care costs covered by federal medicare, medicaid, and veterans health benefits.

By Senators Miloscia, Darneille, Fraser and O'Ban; by request of Department of Social and Health Services.

Senate Committee on Health Care
Senate Committee on Human Services, Mental Health & Housing
House Committee on Appropriations

Background: The Department of Social and Health Services (DSHS) operates the Special Commitment Center on McNeil Island and two secure community transition facilities which house persons who have been committed by superior court as sexually violent predators. DSHS is responsible for providing medical care, either directly or by arrangement with other public or private agencies, for residents who are committed to these facilities.

A sexually violent predator is a person who has been convicted of or charged with a crime of sexual violence and who suffers from a mental abnormality or personality disorder which makes the person likely to engage in predatory acts of sexual violence if not confined in a secure facility.

Summary: DSHS may act on behalf of a resident who is civilly committed as a sexually violent predator for the purpose of applying for Medicare and Medicaid benefits, veteran's health benefits, or other health care benefits or reimbursement available as a result of participation in a health care exchange under the Affordable Care Act.

Votes on Final Passage:

Senate	47	1
House	89	8

Effective: July 24, 2015

SB 5717

C 122 L 15

Amending the insurer holding company act.

By Senators Angel, Mullet and Keiser; by request of Insurance Commissioner.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services
House Committee on Appropriations

Background: In 1993 the Legislature amended the insurance code to conform to the financial regulation standards and regulatory statutes recommended by the National Association of Insurance Commissioners (NAIC). In part the legislation addressed the following: insurance holding companies; insurance company examination procedures; insurer capital and surplus requirements; limitations upon individual insurance company exposure to individual risks; valuation of insurance company investments; receivership, liquidation, and rehabilitation of insurance companies; and penalties that may be imposed by the Office of the Insurance Commissioner (Commissioner).

The 1993 legislation was codified in RCW chapters 48.31B – Insurer Holding Company Act, and 48.31C – Holding Company Act for Health Care Service Contractors and Health Maintenance Organizations.

NAIC updated the model insurance holding company system regulatory act. The updated act will become part of NAIC accreditation standards starting January 1, 2016. If Washington fails to adopt this act into state law, OIC will lose accreditation in 2016. The model act: (1) allows new disclosure regarding enterprise risk and supervisory colleges; (2) updates the provisions for acquisitions, divestitures, and examinations; (3) updates intercompany agreement requirements between insurers and their affili-

ates; and (4) updates confidentiality provisions of holding company filings and information.

Summary: The provisions of the Insurer Holding Company Act are amended to adopt the NAIC model act.

Subsidiaries. A domestic insurer, alone or in cooperation with one or more persons, may organize or acquire one or more subsidiaries, which may conduct any kind of business. The acquisition of subsidiaries is also subject to certain percentage and investment limitations.

Acquisition of, Control of, or Merger with Domestic Insurer. A person acquiring a domestic insurer must file a preacquisition statement with the Commissioner. The required statement must include certain information and an agreement that it will provide an annual report regarding risk and an acknowledgement that the person and all subsidiaries within its control will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the insurer.

The Commissioner must approve a merger or acquisition unless after a public hearing the Commissioner determines that the resulting change of control would cause the domestic insurer to fail to meet the necessary standards. Time periods for the public hearing, notice, and the determination are provided. If the proposed acquisition of control will require the approval of more than one Commissioner, the public hearing may be held on a consolidated basis upon request.

If the Commissioner determines that the person acquiring control of the insurer must maintain or restore the capital of the insurer to the level required by rule and law, the Commissioner must make such determination no later than 60 days after the date of the notification of change in control.

Divestiture. A controlling person of a domestic insurer seeking to divest its controlling interest must file with the Commissioner a confidential notice of its proposed divesture at least 30 days prior to ceasing control. A copy must be provided to the insured. The Commissioner determines whether approval for the transaction is required.

Registration of Insurers. Registration statements in the NAIC format required to be filed by insurers must include, in addition to the existing requirements, financial statements of, or within, an insurance holding company system, including all affiliates if requested by the Commissioner, and statements regarding corporate governance and internal controls.

Transactions Within Insurance Holding Company. Transactions within an insurance holding company system must be fair and reasonable. Agreements for cost-sharing services and management must include provisions as required by rule. Some transactions may not be entered into unless the insurer notifies the Commissioner in writing of its intention to enter into the transaction.

An insurer's officers and directors are not relieved of any obligation or liability applicable under law despite the control of the insurer by any person. The insurer must be managed to assure its separate operating identity. Requirements are provided regarding non-officer/employee board members and committees.

Examination of Insurers. The Commissioner's power to examine an insurer or its affiliates is expanded to allow the Commissioner to ascertain the financial condition of the insurer, including the enterprise risk to the insurer by the ultimate controlling party, by any entity or combination of entities within the insurance holding company system, or by the insurance holding company system. The Commissioner may order any registered insurer to produce information not in the possession of the insurer if the insurer can obtain access through certain methods. Delays in compliance may result in $10,000 daily fines, and suspension or license revocation. Fines are deposited into the general fund. If it appears that any person has committed a violation which prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision.

Supervisory Colleges. The Commissioner has the power to participate in a supervisory college for any domestic insurer that is part of an insurance holding company system with international operations in order to determine compliance by the insurer with this act.

Confidential Documents. Documents, materials, or other information (Documents) in the possession or control of the Commissioner that are obtained by or disclosed in the course of an examination or investigation, and all information reported pursuant to the annual enterprise risk report and the supervisory colleges are privileged and confidential by law and are not subject to subpoena, to discovery, or admissible in evidence in any private civil action. Provisions regarding use of the Documents in the furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties and the requirements for sharing with other regulators are provided.

Repealed Sections. The provisions under the Holding Company Act for Health Care Service Contractors and Health Maintenance Organizations are repealed. However, health care service contractors and health maintenance organizations are added to the definition of insurers under the Insurer Holding Company Act.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: January 1, 2016
July 1, 2017 (Section 14)

SSB 5719
C 239 L 15

Creating a task force on campus sexual violence prevention.

By Senate Committee on Higher Education (originally sponsored by Senators Bailey, Baumgartner, Becker, Kohl-Welles, Parlette, Dammeier, Honeyford, Fain, Fraser, Darneille, McAuliffe, Pearson, Angel, Keiser, Chase, Sheldon, Hill, Jayapal and Frockt).

Senate Committee on Higher Education
House Committee on Higher Education

Background: Overview of Federal Law. The handling of sexual assaults on college and university campuses is governed by procedural guidelines under Title IX of the education amendments of 1972. The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Violence Against Women Act (VAWA) also require institutions to develop reporting protocols and disciplinary procedures for handling sexual violence incidents.

Institutions of higher education are required to develop their own student conduct, disciplinary, and reporting requirements.

Washington State does not have non-criminal statutory requirements for the handling of student-on-student sexual assaults. Public institutions of higher education each have student codes of conduct codified in the Washington Administrative Code.

Title IX. Every college and university that accepts federal funds must comply with Title IX.

Title IX has been interpreted by the United States Supreme Court and the United States Department of Education to require educational institutions to maintain policies, practices and programs that do not discriminate against anyone based on sex.

A school violates a student's rights under Title IX regarding student-on-student sexual violence when: (1) the alleged conduct is serious enough to limit or deny a student's ability to participate in or benefit from the school's educational program; and, (2) the school, upon notice, fails to take prompt and effective steps reasonably calculated to end the sexual violence, prevent its recurrence, and as appropriate, remedy its effects.

The Department of Education requires institutions to investigate incidence of sexual violence and have grievance procedures in place for resolving student and employee complaints of sexual discrimination. Colleges and universities must develop sexual violence procedures that at the least, include the following:

- notice to students and employees of grievance procedures, including where complaints may be filed;
- application of grievance procedures to complaints filed by students or on their behalf;
- provisions for reliable and impartial investigation of complaints, including the opportunity for both the complainant and alleged perpetrator to present witnesses and evidence;
- designated and reasonably prompt timeframes for the major stages of the complaint process;
- notice to the complainant and alleged perpetrator of the outcome of the complaint; and
- assurance that the school will take steps to prevent recurrence of any sexual violence and remedy discriminatory effects on the complainant and others.

Institutions can lose federal funds for violating the requirements of Title IX.

Clery Act. The Clery Act requires institutions of higher education to record and disclose information about campus crimes to the U.S. Department of Education. An institution may be fined up to $35,000 per violation or may lose financial aid, if it violates the Clery Act reporting requirements.

Violence Against Women Act. VAWA was reauthorized in 2013, amending the Clery Act. The VAWA reauthorization added new sexual violence offenses to Clery reporting requirements including sexual offenses, domestic violence, dating violence, and stalking. The reauthorization requires institutions to develop a statement of policy describing programs to prevent sexual violence and education programs to promote awareness. The reauthorization also requires institutions to develop a statement of policy regarding procedures for responding to a sexual violence complaint.

Summary: A task force on campus sexual violence prevention is created. The task force must include the following:

- one representative from the Washington Student Achievement Council;
- one representative from the State Board for Community and Technical Colleges;
- one representative from the Council of Presidents;
- one representative from the Washington Association of Sheriffs and Police Chiefs;
- one representative from the independent colleges of Washington;
- one representative from the nonprofit community who is an advocate for sexual assault victims, selected by the task force chairs from a pool of candidates;
- one representative from the Washington State Attorney General's Office;
- one representative from the Washington Association of Prosecuting Attorneys; and
- the Title IX coordinator or their designee – a representative with expertise in Title IX and sexual violence prevention, from each of the four-year institutions.

The task force must:

- develop a set of best practices that institutions of higher education may employ to promote the awareness of campus sexual violence, reduce the occurrence of campus sexual violence, and enhance student safety;
- develop recommendations for improving institutional campus sexual violence policies and procedures;
- develop recommendations for improving collaboration amongst institutions and law enforcement; and
- report to the Legislature and the institutions of higher education on its goals and recommendations annually.

Votes on Final Passage:

Senate	48	0	
House	95	2	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 24, 2015

SSB 5721
C 163 L 15

Concerning the membership of the expanded learning opportunities council.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Billig, Dammeier and Jayapal).

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

Background: The 2014 Legislature defined expanded learning opportunities (ELOs) as school-based programs or community-based programs provided in partnership with schools that provide extended learning and enrichment for students beyond the traditional school day, week, or calendar. Additionally an ELO Council was established to advise the Governor, the Legislature, and the Superintendent of Public Instruction (SPI) on a comprehensive ELO system. Members of the Council must have experience with ELOs and include groups and agencies representing diverse student interests and geographical locations across the state. The Council may include up to 15 individuals. Representatives from 13 different agencies, organizations, and higher education are specified.

The Council met six times and submitted its first annual report in 2014. The report provides the following:

- the vision and mission statements of the Council;
- the Washington State Quality Standards for Afterschool and Youth Development adopted for use with state expanded learning programs;
- the initial components for a statewide ELO framework;
- a work plan to further define each component; and
- an action plan and funding model for a pilot program to reduce summer learning loss through the use of state funds for additional student learning days in elementary schools with significant populations of low-income students.

Summary: The ELO Council membership is expanded to include a person selected by the Office of the Superintendent of Public Instruction to represent low-income communities or communities of color; a person selected by the Educational Opportunity Gap Oversight and Accountability Committee; and a representative of the statewide association of public libraries. Other participants, agencies, organizations, or individuals may be invited to participate in the Council.

Votes on Final Passage:

Senate	47	0	
House	70	27	(House amended)
Senate			(Senate refused to concur)
House	87	10	(House amended)
Senate	45	2	(Senate concurred)

Effective: July 24, 2015

SSB 5733
C 197 L 15

Concerning livestock transaction reporting.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Warnick, Hatfield and Hobbs; by request of Department of Agriculture).

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

Background: The Washington State Department of Agriculture (WSDA) has authority to adopt administrative rules concerning many matters involving the identification and movement of cattle, including dairy and beef cattle, and horses. Some of this rulemaking authority includes the following:

- designation of mandatory inspection points for cattle and horses or for furnishing proof that the cattle or horses have been inspected or identified and are being lawfully transported;
- issuance of individual horse and cattle identification certificates; and
- determination of what constitutes satisfactory proof of ownership.

Dairy cattle have a system enacted in 2013, of official individual identification tags, called green tags, that the producer places before the first point of sale on bull calves and free-martins – infertile female calves – under 30 days of age. WSDA's fees under this program, except for the

beef commission assessment, must be deposited into the animal disease traceability account.

The Animal Disease Traceability (ADT) program was enacted in 2011. It authorizes WSDA to adopt rules that require the certificate of veterinarian inspection, health papers, permits, or other transportation documents to provide a physical address and a timeline as to when the animals will be transported directly to that address. Unless exempt by WSDA, it is unlawful to transfer an animal to a location other than the address designated on the transportation documents.

Fee authority allows WSDA to charge various amounts to be used to carry out animal disease traceability activities for cattle and to compensate data and fee collection costs. The fee must be paid by all cattle sellers in Washington, the owners of cattle slaughtered in the state, and, unless exempt by WSDA in rule, the owners of cattle exported alive from Washington. If a livestock inspection occurs, the fee must be collected in the same manner as livestock inspection fees. The fee for slaughtered cattle must be collected by the meat processor.

WSDA has authority under the ADT program to charge time and mileage for its inspection of animals and investigations of possible violations in order to cover its costs. The fee has an upper limitation of $85 per hour plus mileage at the rate set by the Office of Financial Management.

There is currently a Washington Administrative Code section that requires all cattle to be inspected for brands or other proof of ownership at any point of private sale, trade, gifting, barter, or any other action that constitutes a change of ownership, except for individual private sales of unbranded female dairy breed cattle involving 15 head or less.

Summary: As an alternative to the mandatory inspection required for cattle, an optional electronic livestock transaction reporting system is established.

Use of the system requires a license. Application for the license is made to WSDA, which must include a fee as established by rule. Accurate records of all cattle transactions of the licensed property must be kept for three years and made available for inspection, upon request, during normal business hours.

Provisions are made for WSDA to enter a property at any reasonable time to examine and inspect cattle and records for purposes of movement verification. Sufficient grounds are stated for WSDA to deny, suspend, or revoke a license. If that occurs, the mandatory livestock inspection requirements apply.

Rulemaking authority is provided, including to set fees, as closely as practicable, to cover the cost of development, maintenance, fee collection, audit, and administrative oversight.

Adds that the reporting of each transaction to WSDA must be completed within 24 hours of the transaction.

Adds a requirement for WSDA to make annual reports to the Legislature to document, in specified detail, its implementation of the system. Reports are due by July 31, beginning in 2015.

Votes on Final Passage:

Senate	48	1	
House	90	7	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

SSB 5740
C 240 L 15

Concerning extended foster care services.

By Senate Committee on Ways & Means (originally sponsored by Senators Fain, Billig, Litzow, McAuliffe, Frockt, Miloscia, Darneille and Jayapal).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Early Learning & Human Services
House Committee on Appropriations

Background: In 2008 the Fostering Connections to Success and Increasing Adoptions Act was signed into federal law. Among its many provisions, the Fostering Connections legislation created a pathway for states to use Title IV-E funds, or foster care funding, to extend foster care services to youth ages 19–21 if the youth engages in certain qualifying activities.

In 2011 the Legislature established the Extended Foster Care program in Washington. Currently a youth age 19–21 is eligible for extended foster care services if the youth:

- is participating in or completing a secondary education program or a secondary education equivalency program;
- is enrolled, or has applied for and demonstrates intent to enroll in a postsecondary academic or postsecondary vocational program;
- has as an open dependency case at age 18 and is participating in a program or activity designed to promote employment or remove barriers to employment; or
- engages in employment for 80 or more hours per month, within amounts specifically appropriated for this purpose.

Extended foster care services may include, but are not limited to, foster care placement or placement in a supervised independent living setting, medical or dental services, transitional living services, case management, and assistance meeting basic needs.

The court must dismiss dependency cases of foster care youth who turn 18 years of age if they are not partic-

ipating in one of the qualifying activities. Youth whose dependency cases were dismissed at age 18 or after may request extended foster care services through a Voluntary Placement Agreement (VPA) if they request services before turning 19 years of age. A youth may enter into a VPA only once but may transition among eligibility categories, so long as the youth remains eligible during the transition. When the youth is at least 17 years of age but not older than 17 years and six months, the Department of Social and Health Services (DSHS) must provide the youth with written documentation explaining the availability of extended foster care services and detailing instructions about how to access those services after they reach age 18. DSHS is relieved of any supervisory duties over a youth who is age 18 but has not requested extended foster care services. While a youth receives extended foster care services, the youth is under the care and placement authority of DSHS.

Summary: The eligibility for extended foster care services is expanded to include youth who are not able to engage in any of the activities that would make him or her eligible due to a documented medical condition. The language "within amounts appropriated specifically for this purpose" is removed for purposes of extended foster care eligibility when a youth is engaged in employment for 80 or more hours per month.

Medical condition is defined to mean a physical or mental health condition as documented by any licensed health care provider.

The DSHS must make efforts to ensure that extended foster care providers maximize Medicaid reimbursement. This must include ensuring that extended foster care health and mental health providers participate in Medicaid.

For youth aging out of foster care, the Children's Administration (CA) must invite representatives from the Division of Behavioral Health and Recovery, the Disability Services Administration, the Economic Services Administration, and the Juvenile Justice and Rehabilitation Administration to the youth's shared planning meeting that occurs between age 17 and 17.5 years old that is used to develop a transition plan. The CA must direct youth who may qualify for developmental disability services to apply for those services and provide assistance in the application process.

The act is null and void if not funded.

Votes on Final Passage:

Senate	48	1	
House	88	9	(House amended)
Senate	43	2	(Senate concurred)

Effective: July 1, 2016

ESSB 5743
C 272 L 15

Addressing insurance producers, insurers, and title insurance agents activities with customers and potential customers.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Fain, Hobbs, Benton, Mullet and Angel).

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services

Background: Rebating. No insurer, insurance producer, or title insurance agent may, as an inducement for the sale of insurance, offer or pay to the insured or the insured's employee, any rebate, reduction of premium, commission, or any other valuable consideration not expressly provided for in the policy. The prohibition does not apply to advertising or promotional programs conducted by insurers, producers, or agents giving prizes, goods, wares, or merchandise, not exceeding $25 in value per person in any 12-month period, to all insureds or prospective insureds under similar qualifying circumstances.

Illegal Inducements. No insurer, insurance producer, title insurance agent, or other person, as an inducement for the sale of insurance, may provide or offer to provide: (1) any shares of stock or other securities; (2) certain contracts or other agreements; or (3) any prizes, goods, wares, or merchandise exceeding $25 in value.

There are other exceptions to the prohibitions.

Summary: Gift cards and gift certificates are added to the items that may be given to insureds or prospective insureds under limited circumstances. The limit on the value of the prizes, goods, wares, gift cards, gift certificates, or merchandise is increased to $100. The provision allowing these items up to $100 in value as insurance rebates and inducements is not applicable to title insurers or title agents.

Insurance producers may give prizes, goods, wares, gift cards, gift certificates, or merchandise not exceeding $100 in value per person in any consecutive 12-month period for the referral of insurance business if the gift is not conditioned upon the person referred applying for or obtaining insurance.

Insurance producers may pay referral fees conditioned on the referred person submitting an application provided the referring person is not an insured or prospective insured and does not sell, solicit, or negotiate insurance.

Insurance producers may sponsor charitable and nonprofit organizations organizations' events or make contributions not conditioned on the organization applying for or obtaining insurance. Nonprofit organizations are defined.

Votes on Final Passage:

Senate	48	1
House	97	0

Effective: July 24, 2015

SB 5746
C 218 L 15

Including Everett Community College as an aerospace training or educational program.

By Senators Bailey, Hobbs, Liias, Baumgartner, Kohl-Welles, Chase and McAuliffe.

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

Background: In 2011 the Legislature established the Aerospace Training Student Loan Program (Loan Program) to provide low-interest loans to students who are enrolled in an authorized aerospace training or educational program (training program).

An authorized training program is a course in the aerospace industry offered by the Washington Aerospace Training and Research Center at Paine Field in Everett, the Spokane Aerospace Technology Center, or Renton Technical College. An eligible student must be registered for a training program, make satisfactory progress, and have a declared intention to work in the aerospace industry in Washington.

The Washington Student Achievement Council (WSAC) administers the Loan Program and is authorized to award student loans to eligible students from available funds. The student loans may not exceed one year of tuition and fees.

Summary: Everett Community College is added to the list of authorized training programs that may participate in the Loan Program.

Votes on Final Passage:

Senate	48	0
House	96	2

Effective: July 24, 2015

SB 5757
C 123 L 15

Addressing credit unions' corporate governance and investments.

By Senators Benton and Mullet.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services

Background: Credit unions doing business in Washington may be chartered by the state or federal government. The National Credit Union Administration (NCUA) regulates federally chartered credit unions. The Department of Financial Institutions (Department) regulates state-chartered credit unions.

Credit Union Governance and Practices.

- *Board of Directors and Supervisory Committee.* State-chartered credit unions are governed by a board of directors and a supervisory committee, which monitors the financial condition of the credit union and the decisions of the board. Per state law, some duties may be delegated to a committee, officer, or employee with appropriate reporting to the board. Other duties may not be delegated.
- *Director and Supervisory Committee Compensation.* A credit union may pay its directors and supervisory committee members reasonable compensation and may also provide them with gifts of minimal value, insurance coverage or incidental services, and reimbursement for reasonable expenses.
- *Dividends.* Dividends may be declared from the credit union's earning after the deduction of expenses, interest on deposits, and the amounts required for reserves, or may be paid from undivided earnings that remain from preceding periods.
- *Investment Authority.* A credit union may invest in any of a variety of investments, including key person insurance policies, up to 5 percent of the capital in debt or equity issued by an organization owned by the Washington Credit Union League; and 1 percent in organizations whose purpose is to provide services to the credit union industry.
- *Credit Union Service Organizations.* Credit unions may own or contract with entities performing services for them, called credit union service organizations.

Summary: Duties of a credit union's board of directors that may or may not be delegated are adjusted. The board must establish policies governing the operation of the credit union. The board may delegate the rate of dividends on shares and authorize the payment of dividends on shares.

A credit union may provide gifts, insurance coverage, and reimbursement of expenses to its directors and supervisory committee members regardless of whether it pays them compensation. Credit union dividends may be paid from current undivided earnings which remain after the deduction of expenses and the amounts required for reserves or may be paid from undivided earnings that remain from preceding periods.

A credit union may invest the in key person insurance policies and investment products related to employee benefits and may invest up to:

- 5 percent of the capital of the credit union in debt or equity issued by an organization owned by the Northwest Credit Union Association or its successor credit union organization; and

- 5 percent of its assets in shares, stocks, and loans with organizations whose purpose is to provide services to the credit union industry.

Votes on Final Passage:

Senate	43	3
House	97	0

Effective: July 24, 2015

SB 5760
C 73 L 15

Concerning contracts for materials or work required by joint operating agencies.

By Senators Brown, Sheldon, Keiser and Dansel.

Senate Committee on Energy, Environment & Telecommunications
House Committee on Technology & Economic Development

Background: A joint operating agency is formed by two or more cities or public utility districts for the purpose of acquiring, constructing, operating, and owning facilities for the generation and transmission, or both, of electric energy and power.

Purchases made by a joint operating agency in excess of $10,000 for materials, equipment, supplies, and construction of generating projects and associated facilities, generally must be made by a sealed bid process, with exceptions provided.

A competitive negotiation process may be avoided if a contractor has defaulted or if technical knowledge or specific time limits are needed to achieve economical operation of the project. In this process, a request for proposals stating the requirements to be met is issued, after which proposals are received. Negotiations are conducted in an effort to obtain the best and final offers of finalists. A fixed price or cost-reimbursable contract is awarded to the bidder whose proposal is the most advantageous in terms of the requirements set forth.

Purchases in excess of $5,000 but less than $75,000 may be made through a telephone or written quotation process. Quotations are received from at least five vendors, where practical, and awards are made to the lowest responsible bidder. In this process, the agency maintains a procurement roster of suppliers and manufacturers who may supply materials or equipment to the operating agency for the purpose of soliciting quotations. Bid opportunities must be equitably distributed among those on the roster.

When it is determined that competition is not available or is impracticable, such as for replacement parts in support of specialized equipment, purchases may be made without competition. Purchases of any amount may be made without bidding in certain emergency conditions when it is determined that public safety, property damage, or serious financial injury would result if the purchase could not be obtained by a certain time through the sealed bid process.

Summary: The minimum dollar value of a purchase of materials, equipment, or supplies that must be made through a sealed bid process is changed from $10,000 to $15,000 – exclusive of sales tax. The minimum dollar value of work ordered for construction of generating projects and associated facilities that must be made through a sealed bid process is changed from $10,000 to $25,000 – exclusive of sales tax.

Votes on Final Passage:

Senate	49	0
House	92	5

Effective: July 24, 2015

ESB 5761
C 9 L 15

Providing for property tax exemption for the value of new construction of industrial/manufacturing facilities in targeted urban areas.

By Senators Pearson, Hobbs, McCoy, Bailey and Benton.

Senate Committee on Trade & Economic Development
Senate Committee on Ways & Means
House Committee on Technology & Economic Development
House Committee on Finance

Background: All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. Property tax exemptions authorized for multi-unit housing facilities in 1995 were established to increase residential housing and encourage affordable housing opportunities within urban areas planning under the Growth Management Act (GMA). The multi-unit housing property tax exemption provides exemptions for qualified properties from 8 to 12 years. GMA is the comprehensive land use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, GMA establishes land use designation and environmental protection requirements for all Washington counties and cities.

Summary: The value of new construction of industrial or manufacturing facilities that meet certain requirements is exempt from local property taxation for ten years. To qualify, an application for a certificate of tax exemption must be submitted to the governing authority before December 31, 2022, and must meet a minimum size of 10,000 square feet, an improvement value of at least $800,000 and create at least 25 family wage jobs. Cities with lands zoned for industrial and manufacturing uses as of December 31, 2014, may establish targeted areas within or contiguous to an innovation partnership zone, foreign trade zone, or EB-5 regional center. Qualifying cities must have a population of at least 18,000 and be located either

north or east of the largest city in a county with a population between 700,000 and 800,000. Currently, the cities of Arlington, Marysville, and Lake Stevens in Snohomish County qualify. The governing authority must hold public hearings to designate targeted areas. The facility construction must meet all construction and development regulations of the governing authority, and be complete within three years from the date of approval of the application.

The governing authority may establish an application fee and must develop an application form that collects information, including a description of the project and the expected number of new family wage jobs to be created. To receive the exemption, upon completion of the new construction of a manufacturing or industrial facility, the owner must provide the governing authority with a description of the completed work, the number of new family living wage jobs to be offered, and a statement that the work was completed within three years of the issuance of the conditional certificate of tax exemption. The governing authority must determine if the work completed and jobs created qualify the project for an exemption, or if the application is denied. The governing authority must approve or deny an application within 90 days of receipt of the application. If the application is approved, the governing authority must issue the property owner a conditional certificate of acceptance of a tax exemption. Applicants that have an application denied may appeal to the governing authority within 30 days after receipt of the denial. The exemption does not apply to the state school levy, and the exemption does not apply to any county property taxes unless the governing body of the county authorizes the property to be exempt from county property taxes.

Each owner receiving a tax exemption must report annually to the governing authority granting the exemption. All governing authorities that issue tax exemptions must report annually to the Department of Commerce on the number of tax exemptions granted, the number and type of new manufacturing or industrial facilities constructed, the number of new family wage jobs, and the value of each tax exemption. If a portion of the property is changed or will be changed to disqualify an owner from receiving a tax exemption, the exemption must be canceled, and the tax on the value of the non-qualifying improvements, a 20 percent penalty, and any interest must be paid. The additional tax, penalty, and interest become a lien on the property until paid.

Votes on Final Passage:

Senate	48	0
First Special Session		
Senate	47	0
House	74	18

Effective: August 27, 2015

SB 5768
C 95 L 15

Concerning county electronic public auctions.

By Senators Cleveland, Benton, Honeyford and Fraser.

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

Background: Surplus County Property. Counties may conduct public auctions to sell county property and real and personal property in tax foreclosure proceedings. Prior to selling county property, the board of county commissioners decides whether real or personal property owned by the county is surplus to the needs of the county. Notice and a public hearing regarding the intended sale are required in most circumstances. Written findings and a decision regarding whether to sell surplus property must be included in the commissioners' meeting minutes following the public hearing.

When the sale of county property has been authorized, it may be sold at a public auction, a privately-operated consignment auction that is open to the public, or by sealed bid. The proceeds of the sale of county property must be paid to the county treasurer, except that the proceeds of the sale of used equipment must be credited to the fund used to originally purchase the equipment. Counties may establish comprehensive procedures for the management of county property that includes the sale of surplus county property.

Tax Foreclosure Sales. When real property taxes become three years delinquent, the county treasurer must file a certificate of delinquency with the county's superior court for all years' taxes, interest, and costs. A certificate of delinquency establishes that the property was subject to property tax, the property was assessed as required by law, and that the taxes or assessments were not paid at any time before the issuance of the certificate. All parties with recorded interest receive a notice and summons by certified mail. Notification is also published in a local newspaper.

The county treasurer receives a tax judgment and order of sale from the court foreclosing on the tax lien, which authorizes the sale of the parcel. Parcels included in the tax foreclosure process can be redeemed by the owner or paid by any party with a recorded interest until the close of business on the day before the sale. A tax foreclosure sale must be made to the highest bidder at a public auction. The minimum bid is set on behalf of the county at the total amount of taxes due, including interest and penalties. The highest successful bidder must pay the amount of taxes owed and the county refunds the excess to the recorded owner of the property.

The treasurer is also authorized to sell, at a public auction, personal property which has been obtained for failure to pay personal property taxes. Personal property may include standing timber and mobile homes.

Washington law does not explicitly authorize counties to conduct tax foreclosure auctions over the Internet.

Summary: A county may conduct a public auction sale by electronic media (electronic auction) via the Internet to sell county property or private property in real or personal property tax foreclosure proceedings. The treasurer must publish and post notice of the electronic auction. Invitations and bids are submitted through an electronic device, including a computer. In an electronic auction, the county treasurer may:

- require participants to provide a deposit;
- accept bids for as long as deemed necessary; and
- require electronic funds transfers to pay any deposits and winning bids.

A deposit from a winning bidder must be applied to the balance due. If the winning bidder does not follow the terms of sale, the deposit is forfeited and credited to the treasurer's operations and maintenance fund. Deposits for nonwinning bids must be refunded within ten business days.

All property sold is offered and sold as-is. The treasurer is not liable for conditions of the property, including but not limited to errors in the assessor's records. Nor is the treasurer liable for failure of a device not owned, operated, and managed by the county that prevents a person from participating in any sale.

A statutory provision related to taxes owed in 1926 is stricken.

Votes on Final Passage:

Senate	46	3
House	97	0

Effective: July 24, 2015

ESSB 5785
FULL VETO

Revising the definition of official duties of state officers.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Rivers, Nelson, Dansel, Hatfield, Pearson, Fain, Liias and Hobbs).

Senate Committee on Government Operations & Security
House Committee on State Government

Background: In 1994 the Legislature enacted the Ethics in Public Service Act (Ethics Act), establishing new and revised ethics rules, consolidating them in a single RCW chapter, and applying the new chapter to all state officials and employees of the executive, legislative, and judicial branches of state government. The Ethics Act created the Executive Ethics Board and Legislative Ethics Board and expanded the authority of the Commission on Judicial Conduct. Each of these ethics boards have broad powers to enforce the Ethics Act, and may investigate and initiate complaints regarding the conduct of state government employees.

Each of these ethics board's activities fall under four broad categories: (1) providing training and educational materials; (2) issuing rules or policies limiting conduct in specified circumstances; (3) issuing advisory opinions; and (4) investigating, hearing, and determining complaints.

Generally, a state officer or state employee may not do any of the following in conflict with the proper discharge of official duties:

- have a direct or indirect interest, financial or otherwise;
- engage in a business, transaction, or professional activity; or
- incur an obligation of any nature.

Limitations are also placed on gifts of a non-influential nature. The Ethics Act defines "official duty" as a duty within the specific scope of employment of the state officer or state employee as defined by the officer's or employee's agency or by statute or the state Constitution.

State officer generally refers to elected state officials, including the Governor, Lieutenant Governor, Secretary of State, Treasurer, Auditor, Attorney General, Superintendent of Public Instruction, Commissioner of Public Lands, and Insurance Commissioner. In the Ethics Act, "state officer" means every person holding a position of public trust in or under an executive, legislative, or judicial office of the state. This definition includes: Superior Court judges; Court of Appeals judges; Supreme Court Justices; members of the Legislature; the Secretary of the Senate and the Chief Clerk of the House of Representatives; the Governor; the Lieutenant Governor; the Secretary of State, the state Treasurer, the state Auditor, the Superintendent of Public Instruction, and Insurance Commissioner; the Attorney General; the Commissioner of Public Lands; chief executive officers of state agencies; members of boards, commissions, or committees with authority over one or more state agencies or institutions; and employees of the state who are engaged in supervisory, policymaking, or policy-enforcing work. In the Ethics Act, state officer also includes any person exercising or undertaking to exercise the powers or functions of a state officer.

Summary: The definition of "official duty" for a state officer holding an elective office is amended to mean those duties prescribed in the state Constitution, state statutes, or agency rules, legislatively funded or mandated authority and responsibilities, activities described in an agency's publicly released strategic plan or similar document, and tasks or actions directly related to carrying out the state officer's other official duties.

Votes on Final Passage:

Senate	45	3	
House	67	30	(House amended)
Senate	46	1	(Senate concurred)

Effective:

VETO MESSAGE ON ESSB 5785

May 18, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Substitute Senate Bill No. 5785 entitled:

"AN ACT Relating to the definition of official duties of state officers."

This bill changes definition of official duty for a state officer holding an elective office in the state Ethics Act. The definition is expanded to mean not only those duties prescribed in the state Constitution, state statutes or agency rules, legislatively funded or mandated authority and responsibilities, but also any activities described in an agency's strategic plan and tasks or action directly related to carrying out the state officer's other official duties.

I believe this is an unnecessary change to the Ethics Act. First, this legislation creates a different standard of ethics for elected officials. While they have different roles, I believe all public employees should be held to the same rules. Moreover, elected officials - as head of agencies - already define much of their job duties. There is no need to create an expanded definition of official duty. By doing so, we unnecessarily risk endangering the public's trust.

For these reasons I have vetoed Engrossed Substitute Senate Bill No. 5785 in its entirety.

Respectfully submitted,

Jay Inslee
Governor

SB 5793
C 124 L 15

Providing credit towards child support obligations for veterans benefits.

By Senators Darneille, Conway and O'Ban.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Veterans Administration (VA) benefits generally may not be garnished. However, federal statutes and regulations allow for the apportionment of VA benefits to provide spouses and dependents with financial support under some circumstances. The VA may apportion a veteran's pension or compensation benefits to the veteran's dependent children if the veteran is not paying a child support obligation. An apportionment will generally not be made if it would cause undue hardship to the veteran.

The Washington child support enforcement statutes provide that when the Social Security Administration pays disability dependency benefits, retirement benefits, or survivor's benefits on behalf of a child of a disabled, retired, or deceased person, those benefits must be credited toward the parent's child support obligations for the period for which benefits are paid. A similar provision gives a credit to the parent when worker's compensation benefits are paid by the Department of Labor and Industries on behalf of or on account of the parent's children. Currently the Division of Child Support is not authorized to grant credit to an obligor parent for the amounts of the parent's VA benefits that are apportioned by the VA on behalf of the parent's dependent children.

Summary: VA benefits that are apportioned to pay child support on behalf of a veteran's child must be credited to the satisfaction of the veteran's child support obligation for the period for which benefits are paid.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

SSB 5795
C 96 L 15

Authorizing municipalities to create assessment reimbursement areas for the construction or improvement of water or sewer facilities.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Roach and Liias).

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

Background: Contract for Water or Sewer Facilities. The governing body of any county, city, town, or drainage district (municipality) may contract with the owners of real estate for the construction of certain water or sewer facilities to connect with public water or sewer systems and serve the affected real estate. At the owner's request, a municipality must contract with the owner for the construction or improvement of water or sewer facilities that the owner elects to install at their own expense. An owner's request may only require a contract in certain locations, including the following:

- where a municipality's ordinances require the facilities to be improved or constructed as a prerequisite to further property development;
- locations where the proposed improvement or construction will be consistent with the comprehensive plans and development regulations of the municipalities through which the facilities will be constructed or will serve; and
- within the municipality's corporate limits or within ten miles of the municipality's corporate limits.

Additionally, the owner must submit a request for a contract to the municipality prior to approval of the water or sewer facility by the municipality. The contracts must be filed and recorded with the county auditor and must contain conditions required by the municipality in accordance with its adopted policies and standards.

Unless the municipality notifies the owner of its intent to request a comprehensive plan approval, the owner must

request a comprehensive plan approval for the water or sewer facility, if required. Connection of the water or sewer facility to the municipal system must be conditioned upon specified requirements:

- construction of the water or sewer facility according to plans and specifications approved by the municipality;
- inspection and approval of the water or sewer facility by the municipality; and
- payment by the owner to the municipality of all of the municipality's costs associated with the water or sewer facility including, but not limited to, engineering, legal, and administrative costs.

Contracts between municipalities and real estate owners must provide for the pro rata reimbursement to the owner or the owner's assigns for 20 or more years. The reimbursements must:

- be within the contract's effective period;
- be for a portion of the costs of the water or sewer facilities improved or constructed in accordance with the contract; and
- be from latecomer fees received by the municipality from property owners who subsequently connect to or use the water or sewer facilities, but who did not contribute to the original cost of the facilities.

Unless provided otherwise by ordinance or contract, municipalities that participate in the financing of water or sewer facilities improved through the contractually-based process are entitled to a pro rata share of the reimbursement based on the respective contribution of the owner and the municipality. Municipalities seeking reimbursements are also entitled to collect fees that are reasonable and proportionate to expenses incurred in complying with contracts with real estate owners for the construction or improvement of water or sewer facilities.

Within 120 days of the completion of a water or sewer facility, the owners of the real estate must submit the total cost of the water or sewer facility to the applicable municipality. This information must be used by the municipality as the basis for determining reimbursements by future users who benefit from the water or sewer facility, but who did not contribute to the original cost of the water or sewer facility.

The provisions governing contracts with real estate owners for the construction or improvement of water or sewer facilities do not create a private right of action for damages against a municipality for failing to comply with specified requirements. A municipality or its officials, employees, or agents may not be held liable for failure to collect a latecomer fee unless the failure was willful or intentional. Failure to comply with requirements for contracts with real estate owners for the construction or improvement of water or sewer facilities does not relieve a municipality of future compliance requirements.

Assessment Reimbursement Areas–Street Projects. For road or street improvements, counties, cities, and towns are currently authorized to create assessment reimbursement areas without the participation of property owners, finance the costs of improvements, and become the sole beneficiary of reimbursements for the project. The assessment is formulated by the county, city, or town based on a determination of which parcels adjacent to the improvements would require similar street improvements upon development. Reimbursements are a pro rata share of the construction and administration costs of the project, and the share of each property owner is determined using a method of cost apportionment based on benefits to the property owner.

Summary: As an alternative to the statutory procedures described above for financing the construction or improvement of water or sewer facilities, municipalities may create an assessment reimbursement area on their own initiative without the participation of a private property owner. Following the creation of an assessment reimbursement area, the municipality may finance all of the costs associated with the construction or improvement and become the sole beneficiary of reimbursements. A municipality may only establish an assessment reimbursement area in locations where a municipality' s ordinances require water or sewer facilities to be improved or constructed as a prerequisite to further property development or redevelopment.

To create an assessment reimbursement area, a municipality must:

- define the boundaries of the area based upon a determination of which parcels in the proposed area would require construction or improvement of water or sewer facilities upon development or redevelopment, or would be allowed connection to or usage of constructed or improved water or sewer facilities;
- send by certified mail a preliminary determination of the assessment reimbursement area boundaries and assessments, along with a description of property owners' rights and options, to each owner of record of real property within the proposed assessment reimbursement area; and
- record the final determination of the assessment reimbursement area boundaries and assessments with the county auditor.

Within 20 days of the preliminary determination's mailing, property owners within the proposed area may submit a written request for a public hearing. If it is submitted, the municipality must hold a public hearing on the assessment reimbursement area. Notice of the hearing must be provided to all affected property owners. Any rulings of the legislative authority of the municipality are determinative and final, but subject to judicial review.

A municipality may be reimbursed only for the costs associated with construction or improvements of facilities

that benefit property that will connect to or use the water or sewer facilities within the assessment reimbursement area. Reimbursement may only occur when a property is developed or redeveloped in a manner requiring connection to or use of the water or sewer facilities, or when a property is requesting connection to or use of the water or sewer facilities. The reimbursement may be no greater than a property's pro rata share of costs associated with construction of the water or sewer facilities required to meet utility service and fire suppression standards. The reimbursement share for each property owner must be based on the benefit to the property owner from the project. The municipality's administrative and legal costs are not subject to reimbursement. A municipality may not receive reimbursement of costs for the portion of construction or improvements that benefit the general public, which is the portion of the water or sewer facilities that only benefit property outside of the assessment reimbursement area.

Votes on Final Passage:

Senate	38	10
House	57	40

Effective: July 24, 2015

ESSB 5803

C 125 L 15

Concerning the notification of parents when their children are below basic on the third grade statewide English language arts assessment.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Dammeier, McAuliffe and Keiser).

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

Background: In 2013 the Legislature created a process for school districts to follow when a student in third grade scores below basic on the statewide English language arts (ELA) assessment. Below basic means level one in a four-level scoring system. The process requires a meeting with the student's parent or guardian, teacher, and the school's principal before the end of the school year to discuss appropriate grade placement and recommended strategies to improve the student's reading skills. For the student to be placed in the fourth grade, the strategies discussed must include a summer program or other options identified by the parents, teacher, and principal to prepare the student for fourth grade. School districts must obtain the parent's or guardian's consent regarding the grade placement and improvement strategy that must be implemented by the school district.

Summary: The process addressing third-grade students reading below grade level is changed. The meeting required with the student's parent or guardian, teacher, and the school's principal before the end of the school year is eliminated. Instead, prior to the return of the results of the statewide student assessment in ELA, elementary schools must require meetings between teachers and parents of students in third grade who are reading below grade level or who, based on formative or diagnostic assessments and other indicators, are likely to score in the below-basic level on the assessment. At the meeting, the teacher must inform the parents of the reading improvement strategies that are available for the student before fourth grade and the district's grade placement policy for the following year. Schools that have regularly scheduled parent teacher conferences may use those conferences to comply with the meeting requirement. For students to be placed in fourth grade, the strategies provided by the school district must include a summer program or other options to meet the needs of the student.

If a third grade student scores below basic on the third grade statewide student assessment in ELA and no earlier meeting took place, then the principal must notify the student's parents or guardians of the following:

- the below-basic score;
- an explanation of the requirements on the school;
- the intensive improvement strategy options that are available;
- the school district's grade placement policy;
- contact information for a school district employee who can respond to questions and provide additional information; and
- a reasonable deadline for obtaining the parent's consent regarding the student's intensive improvement strategies that will be implemented and the student's grade placement.

If the school district does not receive a response from a parent by the deadline or a reasonable time thereafter, the principal must decide the student's grade placement for the following year and the improvement strategies, that will be implemented. If the principal and parent cannot agree on the appropriate grade placement and improvement strategies, then the parent's request will be honored.

Votes on Final Passage:

Senate	39	9
House	95	2

Effective: April 25, 2015

SB 5805

C 126 L 15

Concerning conflict resolution programs in schools.

By Senators Rivers, Rolfes and Keiser.

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

Background: Current law requires the Superintendent of Public Instruction and the Office of the Attorney General,

in cooperation with the Washington State Bar Association, to develop a volunteer-based conflict resolution and mediation program for use in community groups such as neighborhood organizations and public schools. The program must use lawyers to train students who in turn become trainers and mediators for their peers in conflict resolution.

Summary: Statewide dispute resolution organizations are added to the list of developers of the volunteer-based conflict resolution and mediation program. The program must use lawyers or certified mediators to train students.

Votes on Final Passage:

Senate	47	0
House	89	8

Effective: July 24, 2015

ESSB 5810

C 72 L 15

Promoting the use, acceptance, and removal of barriers to the use and acceptance of electronic signatures.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Roach, Liias and Chase; by request of Office of Financial Management).

Senate Committee on Government Operations & Security
House Committee on State Government

Background: Digital Signatures. Digital signature encryption systems are used to both protect the confidentiality of an electronic document and authenticate its source. These systems operate on the basis of two digital keys, or codes, created by the person desiring to send encrypted messages. One key is the private key, which is known only to the signer of the electronic message, and the other is the signer's public key, which is given to individuals with whom the sender wishes to exchange the confidential or authenticated message. The public key is used to verify both that the message was signed by the person holding the private key and that the message itself was not altered during its transmission.

To verify the ownership of public keys, each public key is provided with a computer-based certificate of authenticity. These certificates are created by certification authorities, which guarantee that the public keys they certify belong to the people possessing the corresponding private keys.

Washington Electronic Authentication Act. On January 1, 1998, the Washington Electronic Authentication Act became effective, allowing the use of digital signature technology in electronic transactions and creating a process for licensing certification authorities.

Summary: Use of Electronic Signatures by State Agencies. Unless otherwise provided by law or agency rule, state agencies may accept electronic signatures with the same force and effect as that of a signature affixed by hand. Each state agency may determine whether and to what extent it will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. A state agency is not required to send or accept electronic records or electronic signatures for an agency transaction.

The state Chief Information Officer (CIO) must establish standards, policies, or guidance for electronic submissions and signatures. The CIO's standards, policies, or guidance must take into account reasonable access and reliability for persons participating in governmental affairs and transactions. A state agency's policy or rule on electronic submissions and signatures must be consistent with policies established by the CIO. The CIO must establish a website that maintains, or links to, an agency's rules and policies for electronic records and signatures.

Miscellaneous Provisions. The requirement to sign an application for a chiropractic or dentistry license by hand is removed. A ballot measure sponsor may submit an affidavit to the Secretary of State by electronic means indicating that the sponsor is a registered voter. The statute allowing agencies to accept public works bids electronically is repealed.

Votes on Final Passage:

Senate	48	1
House	96	1

Effective: July 24, 2015

ESSB 5820

C 13 L 15 E 3

Concerning the sale of certain department of transportation surplus property.

By Senate Committee on Transportation (originally sponsored by Senators King and Benton).

Senate Committee on Transportation
House Committee on Transportation

Background: Whenever the Department of Transportation (WSDOT) determines to sell surplus property, it must give public notice by publishing the proposed sale, on the same day for two consecutive weeks, in the legal notices and classified sections of a legal newspaper of general circulation in the area where the property to be sold is located. WSDOT must provide written notice to counties, cities, and towns with 60 days' notice of its intent to dispose of state agency land. All monies received through the sale of surplus property are deposited into the motor vehicle account.

When it is in the public interest, WSDOT may use equal value exchanges. These types of transactions exchange WSDOT land in full or as part of a consideration for land or improvements, or construction of improvements with private entities. In order for WSDOT to approve the purchase of real property with an appraised value of $10,000 or more, WSDOT must first publish a no-

tice of the proposed sale in a local newspaper in the area where the property is located. The notice must include a description of the property, the selling price, the terms of the sale, and the name and address of the WSDOT employee or the the real estate broker handling the transaction. The notice must also state that any person may, within ten days after the publication of the notice, deliver to the designated WSDOT employee or real estate broker a written offer to purchase the property for not less than 10 percent more than the negotiated sale price, subject to the same terms and conditions. The subsequent offer must not be considered unless it is accompanied by a deposit of 20 percent of the total offer price. If a subsequent offer is received, the first offeror is informed by registered or certified mail sent to the address stated in the offeror's office. The first offeror must then have ten days, from the date of mailing the notice of the increased offer, in which to file a higher offer with the designated WSDOT employee or real estate broker. After the expiration of the ten-day period, WSDOT must approve in writing the highest and best offer.

Summary: The requirement for WSDOT to advertise real property auctions in the legal notices and classified sections of newspapers on the same day for two consecutive weeks is removed. WSDOT is given discretion to determine the most appropriate method for advertising the sale of surplus property. The period of time that WSDOT must give cities, towns, and counties notice of its intent to sell surplus property is reduced from 60 days to 30 days.

WSDOT is prohibited from entering into equal value exchange transactions.

The requirement for WSDOT to publish a notice of proposed sale in a local newspaper in the area where the property is located is removed. The process by which an additional offeror may bid 10 percent more than the notice of proposed sale price as long as they provide a 20 percent down payment is removed.

Votes on Final Passage:

Senate	49	0
Third Special Session		
Senate	45	0
House	69	29

Effective: July 6, 2015

SSB 5824

PARTIAL VETO

C 97 L 15

Concerning certain recreational guides.

By Senate Committee on Natural Resources & Parks (originally sponsored by Senator Parlette).

Senate Committee on Natural Resources & Parks
House Committee on Agriculture & Natural Resources

Background: Commercial Fishing License. Generally, a person must have a license or permit issued by the director to engage in any of the following activities:

- commercially fish for or take food fish or shellfish;
- deliver from a commercial fishing vessel food fish or shellfish taken for commercial purposes in offshore waters;
- operate a charter boat or commercial fishing vessel engaged in a fishery;
- engage in processing or wholesaling food fish or shellfish; or
- act as a food fish guide for personal use in freshwater rivers and streams, except that a charter boat license is required to operate a vessel from which a person may, for a fee, fish for food fish in certain state waters.

Food Fish and Game Fish License Application. Any application for a food fish guide or game fish guide license must include the following:

- a driver's license or other government-issued identification card number and the jurisdiction of issuance;
- a unified business identifier number under a master license;
- proof of current certification in first aid and cardiopulmonary resuscitation;
- a certificate of insurance demonstrating the applicant has commercial liability coverage of at least $300,000; and
- if applicable, an original or notarized copy of a valid license issued by the U.S. Coast Guard authorizing the holder to carry passengers for hire.

Fish Guide or Charting Without a License. A person is guilty of acting as a food fish guide, game fish guide, or chartering without a license – a gross misdemeanor – if the person:

- operates a charter boat and does not hold the charter boat license required for the food fish taken;
- acts as a food fish guide and does not hold a food fish guide license; or
- acts as a game fish guide and does not hold a game fish guide license.

Summary: Fish Guide and Game Fish Guide License. Applications must also include a sworn declaration requiring the applicant to certify whether the area of operations includes federally recognized navigable waters with a motorized vessel.

Fish Guide or Charting Without a License. Upon conviction, WDFW may deny applications submitted by the person for a game fish guide license, food fish guide license, or charter boat license for up to one year from the date of conviction.

License Suspension. WDFW may suspend a charter boat license, food fish guide license, or game fish guide license if, within a 12-month period, a person is convicted

of two or more violations of any rule of the commission or director regarding seasons, bag limits, species, size, sex, or other possession restrictions while engaged in charter boat, food fish guide, or game fish guide activities. WDFW may suspend only the specific type of license or licenses related to the activity or activities for which the person is convicted. License suspensions are appealable under the Administrative Procedure Act.

Commercial Fishing License. A commercial license is required for game fish guides. Food fish and game fish guide licenses are required for all waters, not just in freshwater rivers and streams.

Decal. WDFW must issue an identifying decal to all licensed food fish guides, game fish guides, and charter boat operators. The identifying decal must display the license number prominently. Any person who acts or offers to act as a food fish guide, game fish guide, or charter boat operator must display the identifying decal on vessels in a location easily visible to customers and adjacent vessels.

Combination License. WDFW must create and offer combination licenses allowing holders to act either as (1) a food fish guide, game fish guide, salmon charter boat operator, and non-salmon charter boat operator; or (2) a food fish guide and game fish guide.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

Partial Veto Summary: The Governor vetoed provisions meant to simplify the chapter by placing game fish guide license fees in the same section as food fish guide license fees. The provisions conflict with amendments in HB 1232, also related fish guide licenses, and the veto avoids creating reference errors.

VETO MESSAGE ON SSB 5824

April 24, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 6, and 8, Substitute Senate Bill No. 5824 entitled:

"AN ACT Relating to certain recreational guides."

Sections 6 and 8 of this bill are technical changes that are meant to simplify this chapter by placing game fish guide license fees in the same section as food fish guide license fees (RCW 77.64.440 [77.65.440]). However, House Bill 1232 and Senate Bill 5464 both contain a reference to the original location of the game fish guide license (RCW 77.65.480). To avoid creating a reference error, I am vetoing sections 6 and 8.

For these reasons I have vetoed Sections 6 and 8 of Substitute Senate Bill No. 5824.

With the exception of Sections 6 and 8, Substitute Senate Bill No. 5824 is approved.

Respectfully submitted,

Jay Inslee
Governor

ESSB 5826
C 296 L 15

Creating the Washington small business retirement marketplace.

By Senate Committee on Ways & Means (originally sponsored by Senators Mullet and Benton).

Senate Committee on Financial Institutions & Insurance
Senate Committee on Ways & Means
House Committee on Appropriations

Background: Some private sector employers provide their employees with retirement benefits, such as 401(k) plans, while other employers may provide no retirement benefits to their employees. Some small business employers may not offer the retirement plans due to concerns about costs, administrative burdens, and potential liability.

Private sector employers offering retirement plans to their employees must comply with the Employee Retirement Income Security Act (ERISA). In order to qualify for tax benefits available for both employers and employees, employers must maintain adequate record keeping, fairness, and funding in their retirement plans as specified by ERISA.

Private sector employees participate in Social Security, and also have federally regulated personal retirement investment options such as the Individual Retirement Account (IRA); the Payroll Deduction IRA; myRA, a Roth-IRA; and the SIMPLE IRA plans, a retirement plan for small employers allowing employer contributions. Banks, investment firms, and financial planners advise and assist individuals in planning and investing for retirement.

Summary: Creation. The Washington small business retirement marketplace (marketplace) is created. The director (director) of Department of Commerce (Commerce) must contract with a private sector entity to establish a program that connects eligible employers with qualifying plans. The program must:

- establish a protocol for reviewing and approving the qualifications of private sector financial services firms seeking to participate in the marketplace;
- design and operate an Internet website that includes information about how eligible employers can participate in the marketplace;
- develop marketing materials about the marketplace that can be distributed electronically, posted on various agency websites, or inserted in agency mailers;
- identify and promote existing federal and state tax credits and benefits for employers and employees that are related to encouraging retirement savings or participating in retirement plans; and
- promote the benefits of retirement savings and financial literacy.

Only self-employed individuals, sole proprietors, and employers with fewer than 100 qualified employees are el-

igible to participate in the marketplace. Participation in the marketplace is completely voluntary.

Private sector financial services firms that may participate in the marketplace must be licensed or hold a certificate of authority and be in good standing with either the Department of Financial Institutions or the Office of the Insurance Commissioner and meet all federal laws and regulations to offer retirement plans. The director must ensure by rule that there is objective criteria in the protocol and that the protocol does not provide unfair advantage to the private sector entity establishing the protocol.

Types of Plans. The director must approve a diverse array of private retirement plan options, including life insurance plans that are designed for retirement purposes, and at least two types of plans for eligible employer participation: (1) a SIMPLE IRA-type plan that provides for employer contributions to participating enrollee accounts; and (2) a payroll deduction individual retirement account type plan. The approved plans must meet federal law or regulation for the plans.

Product Options. The financial services firms participating in the marketplace must offer a minimum of two product options: (1) a target date or other similar fund, with asset allocations and maturities designed to coincide with the expected date of retirement; and (2) a balanced fund. The marketplace must offer myRA.

Rollovers. The approved plans must include the option for enrollees to roll pretax contributions into a different IRA or another plan after ceasing participation in a marketplace plan. The director must address how rollovers are handled for eligible Washington employers that have workers in other states, and whether out-of-state employees with existing IRAs may roll them into the marketplace plans.

Fees. Financial service firms may not charge participating employers an administrative fee, or enrollees more than 100 basis points in total annual fees, and must provide information about their plans' historical investment performance.

Rules. The director must adopt rules necessary to allow the marketplace to operate as authorized. The rules must be proposed by January 1 of the year of implementation and rules must not be adopted until after the end of the regular legislative session.

Reporting. The director reports biennially to the Legislature on the effectiveness and efficiency of the marketplace, including the levels of enrollment and the retirement savings levels of participating enrollees.

Funding and Incentive Payments. In addition to any appropriated funds, the director may use private funding sources, including private foundation grants, to pay for marketplace expenses. On behalf of the marketplace, Commerce must seek federal and private grants and is authorized to accept any funds awarded to Commerce for use in the marketplace. The director may provide incentive payments to participating employers that enroll in the marketplace and shall direct the entity retained to assist in creating the marketplace to assure that licensed professionals who assist in enrolling employers and employees in the marketplace may receive commissions.

Votes on Final Passage:

Senate	29	20	
House	57	40	(House amended)
Senate	27	22	(Senate concurred)

Effective: July 24, 2015

ESSB 5843

C 245 L 15

Concerning outdoor recreation.

By Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Parlette, Pearson, Rolfes, Hewitt, Litzow, Conway, Hasegawa and McAuliffe).

Senate Committee on Natural Resources & Parks
Senate Committee on Ways & Means
House Committee on Environment
House Committee on General Government & Information Technology

Background: No Child Left Inside Grant Program. In 2007 the Legislature established a grant program to provide funding for outdoor education and recreation programs by agencies, nonprofits, and school and after-school programs. This program has become known as the no child left inside grant program. The Director of the State Parks and Recreation Commission, in cooperation with an advisory committee, was charged with establishing grant priorities while considering factors such as:

- reduction of dropout rates;
- use of natural-resources based curriculum;
- contribution to health lifestyles through recreation and nutrition; and
- ongoing program evaluation and assessment.

The 2007 operating budget provided $1.5 million to the grant program. In 2008, 26 grants were awarded from that appropriation.

Blue Ribbon Task Force on Parks and Outdoor Recreation. In February 2014, the Governor issued Executive Order 14-01 which established the Blue Ribbon Task Force on Parks and Outdoor Recreation (Task Force). The Task Force was directed to develop an action plan and recommendations on topics to include the management, transformation, and development of Washington's outdoor recreation assets and programs. The Task Force met throughout the interim, with plans and recommendations submitted in the fall.

Summary: Modifies the No Child Left Inside Grant Program. The list of considerations that must be considered in setting priorities for the no child left inside grant program is changed to include programs that use veterans for

at least 50 percent of program implementation or administration.

Establishes a State Lead on Economic Development and Outdoor Recreation. Subject to the availability of amounts appropriated for this specific purpose, the Governor must appoint and maintain a senior policy advisor to serve as the state's lead on economic development issues relating to outdoor recreation. The advisor must also focus on promoting, increasing participation in, and increasing opportunities for outdoor recreation.

The success of the senior policy adviser must be based on measurable results relating to economic development strategies including the following:

- strategies for increasing the number of new jobs related to outdoor recreation; and
- strategies for increasing consumer spending connected to outdoor recreation.

Votes on Final Passage:

Senate	46	3	
House	65	32	(House amended)
Senate	38	9	(Senate concurred)

Effective: July 24, 2015

2SSB 5851

C 244 L 15

Concerning recommendations of the college bound scholarship program work group.

By Senate Committee on Ways & Means (originally sponsored by Senators Frockt, Kohl-Welles, Miloscia, Liias, Mullet, Pedersen, Nelson and McAuliffe).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Appropriations

Background: College Bound Scholarship (CBS) Program. In 2007 the Legislature created the CBS Program to provide a tuition scholarship program for low-income students. The scholarship is open to seventh and eighth graders who qualify for free or reduced-price lunches and sign a pledge to graduate from high school with a 2.0 grade point average or higher and no felony convictions. Students in foster care are automatically enrolled. At the time of high school graduation, eligible students must have a family income of 65 percent of the state median family income or below.

The CBS award amounts are calculated as the difference between public institution tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives, plus $500 for books. All scholarship recipients are limited to no more than four full-time years' worth of scholarship awards and the scholarship award must be used within five years of receipt.

The Office of Student Financial Aid, within the Washington Student Achievement Council (WSAC), is the administrator of the Program. The Office of Superintendent of Public Instruction (OSPI) must notify elementary, middle, and junior high schools about the Program and to work with WSAC to develop application collection and student tracking procedures. Currently OSPI contracts with the College Success Foundation to increase CBS middle and high school students' knowledge and awareness of post-secondary opportunities.

CBS Program Work Group. During the 2014 Session, the Legislature created a work group to make recommendations to ensure the CBS program is viable, productive, and effective. The 11-member work group included two senators and two representatives. The work group met four times in 2014. The final report contains 12 recommendations for the CBS program within the following categories: data, student supports, communications, statutory changes, and funding.

Summary: The Legislature finds that a comprehensive review of the CBS Program in 2014 resulted in unanimous recommendations to improve and enhance certain components of the program, including data collection, outreach, and program outcomes.

When determining CBS eligibility, the first quarter of Running Start grades must be excluded from the student's overall GPA if the student has less than a C average and has completed less than two quarters in the Running Start Program.

WSAC must:

- work with other state agencies, law enforcement, or the court system to verify that eligible students do not have felonies;
- notify tenth-grade CBS students and their families of the income requirements for CBS eligibility;
- develop comprehensive social media outreach with grade-level specific information to keep students on track to graduate and leverage current tools such as the High School and Beyond Plan and WSAC's Ready Set Grad website; and
- collaborate with educational organizations to map and coordinate mentoring and advising resources across the state, within existing resources.

Each college or university is encouraged to tailor advising resources for CBS recipients. The institutions should identify campus officials and other resources.

Beginning January 1, 2015, and at a minimum every year thereafter, WSAC and the colleges and universities must ensure that the data needed to analyze and evaluate the effectiveness of the CBS program is promptly transmitted to the Education Research and Data Center. Data reported must include, but not be limited to the following:

- the number of students who sign up for the CBS program in seventh or eighth grade;

- the number of CBS students who graduate from high school;
- the number of CBS students who enroll in postsecondary education;
- persistence and completion rates of CBS recipients;
- CBS recipient GPA;
- the number of CBS recipients who did not remain eligible and why;
- CBS program costs; and
- impacts to the State Need Grant program.

By December 1, 2018, the Washington State Institute for Public Policy (WSIPP) must compete an evaluation of the CBS program and report to the Legislature. WSIPP's report must complement studies on the CBS program by the University of Washington or others. To the extent it is not duplicative, the report must evaluate education outcomes emphasizing degree completion rates at both secondary and postsecondary levels. The report must study certain aspects of the CBS program, including but not limited to the following:

- CBS recipient GPA;
- variance in remediation between CBS recipients and their peers;
- differences in persistence between CBS recipients and their peers; and
- the impact of ineligibility for the CBS program, for reasons such as moving to Washington after middle school or a change in family income.

Votes on Final Passage:

Senate	47	0	
House	97	1	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015
May 12, 2015 (Section 6)

ESB 5863

C 164 L 15

Concerning highway construction workforce development.

By Senators Jayapal, Rivers, Keiser, Miloscia, Conway, Angel, Liias, Pedersen, Hobbs, Kohl-Welles and Hasegawa.

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, the Washington State Department of Transportation (WSDOT) is directed to expend federal funds, and funds that may be available to WSDOT, to increase diversity in the highway construction workforce. To the greatest extent practicable, WSDOT coordinates with the Apprenticeship and Training Council using these funds for the following activities:

- pre-apprenticeship programs approved by the Apprenticeship and Training Council;
- pre-employment counseling;
- orientation on the highway construction industry, including outreach to women, minorities, and other disadvantaged individuals;
- basic skills improvement classes;
- career counseling;
- remedial training;
- entry requirements for training programs;
- supportive services and assistance with transportation;
- child care and special needs;
- job-site monitoring and retention services; and
- assistance with tools, protective clothing, and other related support for employment costs.

WSDOT, in coordination with the Apprenticeship and Training Council, must submit a report to the transportation committees of the Legislature by December 1 of each year. The analysis must show the results of activities that increase diversity in the highway construction workforce.

Summary: WSDOT must coordinate with the Department of Labor and Industries, rather than the Apprenticeship and Training Council, to expend funding for apprenticeship preparation and support services, including grants to local Indian tribes, churches, nonprofits, and other organizations. To the greatest extent practicable, WSDOT must expend funding from sources other than the federal funds that are used under current law. The services that WSDOT provides to increase diversity in the highway construction workforce is expanded to include the recruitment of women and persons of color to participate in the apprenticeship program at WSDOT.

WSDOT must hire and maintain a full-time equivalent position to coordinate department activities that increase diversity in the highway construction workforce and actively engage with communities with populations that are underrepresented in current transportation apprenticeship programs.

The annual report that WSDOT, in coordination with the Department of Labor and Industries, provides to the transportation committees of the Legislature must include an analysis of WSDOT's efforts to coordinate diversity in the highway construction workforce and engage communities with populations that are underrepresented in transportation apprenticeship programs.

WSDOT must report by December 31, 2020, on how efforts to actively engage with communities with populations that are underrepresented in current transportation apprenticeship programs result in a higher level of participation among underrepresented populations over a five-year period.

Votes on Final Passage:

Senate	44	5	
House	66	31	(House amended)
Senate	38	9	(Senate concurred)

Effective: July 24, 2015

ESB 5871
C 297 L 15

Creating appeal procedures for single-family homeowners with failing septic systems required to connect to public sewer systems.

By Senators Angel, Liias, Roach, McCoy and Chase.

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

Background: The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, GMA establishes land use designation and environmental protection requirements for all Washington counties and cities, and a significantly wider array of planning duties for the 28 counties and the cities within them that fully plan under GMA.

GMA defines urban governmental services or urban services to include, in part, storm and sanitary sewer systems, domestic water systems, fire and police protection services, and other public utilities associated with urban areas and normally not associated with rural areas. Cities, towns, and code cities provide water and sewer services both within and outside their corporate limits. Counties may provide water and sewer services to unincorporated areas of the county. Additionally, water-sewer districts may provide water and sewer services to incorporated and unincorporated areas.

On-site septic systems or on-site sewage systems are the most common method of wastewater treatment for homes, commercial establishments, and other places that are not connected to a public sanitary sewer system. An on-site sewage system consists of a network of pipes, a septic tank, and a drain field, and provides subsurface soil treatment and dispersal of sewage.

Summary: A city, town, code city, or county (local jurisdiction) with an ordinance or resolution requiring connection to a public sewer system upon the failure of an on-site septic system must provide an administrative appeals process to consider denials of permit applications to repair or replace an existing and failing on-site septic system. The administrative appeals process must apply to requests to repair or replace an existing, failing on-site septic system that:

- were for a single-family residence by its owner or owners;
- were denied solely because of a law, regulation, or ordinance requiring connection to a public sewer system; and
- absent the applicable law, regulation, or ordinance requiring connection to a public sewer system upon which the denial was based, would be approved.

If the local jurisdiction has an existing administrative appeals process, the local jurisdiction may follow its existing process. The legislative body of the local jurisdiction or an administrative hearings officer must preside over the administrative appeals process.

The administrative appeals process must, at a minimum, consider whether:

- it is cost-prohibitive to require the owner of a single-family residence with an existing and failing on-site septic system to connect to the public sewer system;
- there are public health or environmental considerations;
- there are public sewer system performance or financing considerations; and
- there are financial assistance programs or latecomer agreements offered by the city or town or by the state.

If the local jurisdiction, following any appeals process of the jurisdiction, determines that an owner of a single-family residence must connect to the public sewer system, the owner may, in complying with the determination and subject to approval of appropriate permits, select and hire contractors to perform the necessary work to connect to the public sewer system at the owner's expense. Unless otherwise required by law, a determination by a local jurisdiction that the owner of a single-family residence with a failing on-site septic system must connect a residence to a public sewer system is not subject to appeal.

Votes on Final Passage:

Senate	49	0
House	98	0

Effective: July 24, 2015

SSB 5877
C 266 L 15

Concerning due process for adult family home licensees.

By Senate Committee on Health Care (originally sponsored by Senators O'Ban, Angel, Padden, Pearson, Rivers, Warnick and Darneille).

Senate Committee on Health Care
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: Adult family homes are regular neighborhood homes where staff assumes responsibility for the safety and wellbeing of the adult. A room, meals, laundry, supervision, and varying levels of assistance with care are provided. Some provide occasional nursing care. Some

offer specialized care for people with mental health issues, developmental disabilities or dementia. The home can have two to six residents and is licensed by the Department of Social and Health Services (DSHS).

As part of this licensing, DSHS may take action against an adult family home provider if it finds that the provider has failed to comply with statutory requirements or otherwise interfered with DSHS' regulation of the adult family home. Actions DSHS may take include refusing to issue a license; imposing conditions on the license or limiting the types of clients the adult family home may admit; imposing civil penalties; suspending a license; or imposing stop-placement orders on the adult family home. Orders from DSHS imposing license suspension, stop placement, or conditions on licenses are effective immediately upon notice and must continue pending a final administrative decision.

Summary: If DSHS issues a order to suspend a license, stop placement, or issue conditions for continuation of a license for an adult family home, it must hold a hearing within 60 days of a hearing request to respond to the order. If all parties agree, the hearing may be delayed up to 120 days from the hearing request.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 24, 2015

SB 5881

C 98 L 15

Providing a group fishing permit for certain programs for at-risk youth.

By Senators Pearson, Chase and Hasegawa.

Senate Committee on Natural Resources & Parks
House Committee on Agriculture & Natural Resources

Background: The Washington Department of Fish and Wildlife (WDFW) is responsible for issuing hunting and fishing licenses at fees set in statute. The fees are generally set at a rate for an adult state resident, an elevated rate for a non-state resident, and a reduced rate for a youth participant or resident senior. Reduced rate licenses are also available to individuals with certain disabilities, certain veterans, and for group or combination licenses and permits.

Summary: When issuing a group fishing permit, WDFW must provide, at no charge, any applicable catch record cards. WDFW must issue a group fishing permit on a seasonal basis to a state or local agency, or nonprofit organization operating a program for at-risk youth.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 24, 2015

ESSB 5884

C 273 L 15

Concerning the trafficking of persons.

By Senate Committee on Law & Justice (originally sponsored by Senators Kohl-Welles, Darneille, Padden, Keiser, Conway, Chase and Hasegawa).

Senate Committee on Law & Justice
House Committee on Public Safety
House Committee on General Government & Information Technology

Background: Washington uses a multi-faceted approach to reduce human trafficking and commercial sexual exploitation. The criminal justice system pursues the criminals who profit from trafficking and holds them accountable. The social service, health care, and education systems support and care for trafficking victims and their families. Many nonprofit and community organizations across the state help trafficking victims with safe housing, transportation, and other necessities. State government has the challenging task of coordinating all of these efforts as efficiently and effectively as possible.

Social media and other emerging technologies serve an important purpose for the criminals in the business of sexual exploitation. Technology helps lure victims into the sex trade, and helps market the services to commercial sex consumers. The same technologies can help communities fight back through public education and by making resources available online to trafficking victims.

Currently Washington has a commercially sexually exploited children coordinating committee. The committee sunsets on June 30, 2015. Until June 30, 2004, Washington had a task force against human trafficking. The state's anti-trafficking efforts will improve by re-establishing the human trafficking task force and re-authorizing the coordinating committee for children exploited in the sex trade.

Summary: Information Clearinghouse. The Department of Commerce Office of Crime Victims Advocacy (OCVA) must create and maintain an information portal serving as the state government contact regarding human trafficking. The portal is known as the Washington State Clearinghouse on Human Trafficking. The clearinghouse must share and coordinate statewide efforts to combat the trafficking of persons. The clearinghouse must:

- coordinate information on all statewide human trafficking task forces;
- publish statewide task force reports;
- maintain a comprehensive resource directory for trafficking victims; and
- offer current, up-to-date state and federal news, legislative efforts, and information on human trafficking.

State Anti-Trafficking Task Force and Children's Coordinating Committee. The OCVA must provide administrative support for the Washington State Task Force on the Trafficking of Persons (task force). This task force consists of one member from each of the two main caucuses of the House of Representatives and from each of the two main caucuses of the Senate, representatives from public agencies, organizations who serve trafficking victims and survivors, or work on trafficking issues, and at least one human trafficking survivor. The OCVA is authorized to add additional participants to the task force to ensure broad, diverse representation. The task force must:

- evaluate progress in Washington's anti-trafficking activities and services;
- consider anti-trafficking services and resources provided by other states;
- review effectiveness of Washington's anti-trafficking laws; and
- recommend needed changes to the Governor and the Legislature.

The commercially sexually exploited children statewide coordinating committee is authorized through June 30, 2017. The Attorney General's Office must convene the committee with agenda planning assistance and administrative and clerical support provided by the Department of Commerce. Three additional members join the committee: a representative from organizations providing youth with inpatient chemical dependency treatment, providing mental health treatment, and a survivor of human trafficking.

In addition to its current duties the committee must review the extent to which the 2010 law on sex crimes involving children (chapter 289, Laws of 2010; ESSB 6476) is understood and applied by law enforcement authorities and must research any barriers that exist to full implementation of the 2010 law throughout the state.

The Committee must report its findings regarding all aspects of its work, including its review and research regarding the 2010 law, to the appropriate committees of the Legislature by February 1, 2016.

Voluntary Anti-Trafficking Restroom Notice. The OCVA must review and approve a model human trafficking notice for use in an anti-trafficking information campaign. The OCVA must coordinate with public entities, private businesses, and community-based nonprofit organizations to develop notice placement policies. The notice is printed and distributed by anti-trafficking nonprofit organizations. Once the model notice is available, establishments that maintain a public restroom may voluntarily post the anti-trafficking notice. The OCVA must report the progress of the voluntary public restroom notices to legislative committees by December 31, 2016.

Votes on Final Passage:

Senate	49	0	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: May 14, 2015

SSB 5887

C 99 L 15

Authorizing longer leases for property at the former Northern State Hospital site.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Pearson and Ranker).

Senate Committee on Government Operations & Security
House Committee on Capital Budget

Background: Department of Enterprise Services (DES) Lease Authority. For most state agencies, DES has the statutory authority to acquire, lease, purchase, and dispose of real estate in consultation with the Office of Financial Management (OFM). DES has the general authority to set lease terms and conditions, but is prohibited from granting a lease that exceeds 20 years. A lease may exceed ten years only if OFM makes findings including that the long-term lease provides a more favorable rate for the state.

Northern State Hospital Site. Northern State Hospital, in Skagit County, was operated by the Department of Social and Health Services from 1909 to 1973. Approximately 225 acres of the main campus are managed by DES. The site currently includes 44 buildings with approximately 630,000 square feet of total space.

Summary: DES may lease property at the Northern State Hospital site for up to 60 years.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

2SSB 5888

C 298 L 15

Concerning near fatality incidents of children who have received services from the department of social and health services.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban and Miloscia).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Early Learning & Human Services
House Committee on Appropriations

Background: Child Fatality Reviews. The Department of Social and Health Services (DSHS) must conduct a

child fatality review when a fatality is suspected of being caused by abuse or neglect of a minor who is in the care of or receiving services from DSHS or a supervising agency or the minor had been in care of DSHS or a supervising agency within one year preceding the minor's death. DSHS must assure that persons assigned to a child fatality review team have no previous involvement in the child's case and that the review team includes individuals who have professional expertise pertinent to the dynamics of the case under review.

Within 180 days of the fatality, DSHS must issue a report of the results of the review. Reports must be distributed to the Legislature and posted online. A child fatality review report is subject to public disclosure. DSHS is expressly authorized to redact confidential information contained in a review report according to existing state and federal laws protecting the privacy of victims of child abuse and neglect, including laws regarding the confidentiality of postmortem and autopsy reports.

Near Fatality Child Reviews. In the event of a near fatality of a minor in the care of or receiving services from DSHS or a supervising agency, or a minor who had been in the care or receiving services from DSHS or a supervising agency, within one year of the preceding near fatality, DSHS must notify the Office of the Family and Children's Ombuds (OFCO). DSHS may conduct a review at its discretion or at the request of the OFCO.

A child fatality or near-fatality review is subject to discovery in a civil or administrative proceeding. However, any use or admission into evidence is limited as follows:

- Employees of DSHS cannot be questioned in a civil or administrative proceeding relating to the work of the child fatality review team, the incident under review, or the employee's statements, thoughts, or impressions or those of the review team members or others who provided information to the review team.
- A witness may not be examined regarding the witness's interactions with the child fatality or near-fatality review, including whether the person was interviewed during the review, questions asked during the review, and answers provided by the person.
- Documents prepared for a review team are inadmissible in a civil or administrative proceeding. Documents that existed before use or consideration by the review team or that were created independently of a fatality or near-fatality review may still be admissible. The limitation also does not apply to licensing or disciplinary proceedings relating to DSHS's efforts to revoke or suspend a license based on allegations of misconduct or unprofessional conduct connected with a near fatality or a fatality being reviewed.

OFCO. The OFCO was created in 1996 to protect children and parents from harmful agency action or inaction, and to make agency officials and state policymakers aware of system-wide issues in the child protection and child welfare system. The OFCO is part of the Governor's Office and operates independently from DSHS and other state agencies, acting as a neutral fact-finder, not as an advocate. The OFCO's responsibilities include 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, the OFCO has authority:

- to interview children in state care;
- to access, inspect, and copy all records, information, or documents in DSHS' possession that the OFCO considers necessary to conduct an investigation; and
- to have unrestricted online access to the case and management information system operated by DSHS.

The OFCO must issue an annual report to the Legislature on the implementation of the recommendations from reviews of child fatalities.

Summary: In the event of a near fatality of a minor in the care of or receiving services from DSHS or a supervising agency or a minor who had been receiving such care in the preceding three months of the near fatal incident or was the subject of an investigation by the department for possible abuse or neglect, DSHS must notify OFCO and conduct a review of the near fatality.

When a case worker or other employee of DSHS responds to an allegation of child abuse or neglect and there is a subsequent allegation of abuse or neglect resulting in a near fatality within three months of the initial allegation that is screened in and open for investigation by DSHS, DSHS must immediately conduct a review of the case worker's and case worker's supervisor's files and actions taken during the initial report of alleged child abuse or neglect. The purpose of the review is to determine if there were any errors by the employees under DSHS policy, rule, or state statute. If any violations of policy, rule, or statute are found, DSHS must conduct a formal employee investigation. The review conducted by DSHS is subject to the same restrictions governing admissibility of evidence as the fatality reviews and near fatality reviews.

Near fatality means an act that, as certified by a physician, places the child in serious or critical condition.

The Act is to be known as Aiden's Act.

Votes on Final Passage:

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

Effective: July 24, 2015

SSB 5889
C 5 L 15

Concerning timeliness of competency evaluation and restoration services.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators O'Ban and Miloscia).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Judiciary

Background: A criminal defendant is incompetent to stand trial (IST) if the defendant does not have present ability to understand the nature of the criminal proceedings against the defendant or to assist defense counsel. If any party to the criminal proceeding or the court raises competency to stand trial (CST), the court must stay the criminal proceedings and appoint a qualified expert or ask the Department of Social and Health Services (DSHS) to designate an expert to evaluate the mental condition of the defendant. If the court finds the defendant to be IST after the evaluation, the court may order any felony defendant and most nonfelony defendants to undergo competency restoration treatment. Competency restoration treatment is currently provided exclusively on an inpatient basis by the state at one of Washington's state hospitals.

Washington law establishes performance targets for the timeliness of the completion of CST evaluations. These targets are as follows:

- seven days to extend an offer of admission to a state hospital for a defendant to receive inpatient services related to CST, including evaluation, restoration, or a civil commitment evaluation following dismissal of charges;
- seven days to complete a CST evaluation in jail, including distribution of the evaluation report; and
- 21 days to complete a CST evaluation in the community.

The time periods measured in the performance targets run from the date at which the state hospital receives the court referral and supporting information relating to the defendant. The Legislature recognizes that performance targets may not be achievable in all cases, and recognizes a nonexclusive list of circumstances which may place achievement of a performance target out of reach, including lack of medical clearance for the defendant to be admitted to the state hospital, the need to acquire medical history information related to the defendant in the custody of a third party, lack of availability or cooperation by counsel, jail or court personnel, interpreters, or the defendant, and unusual spikes in the demand for CST services. These performance targets do not create an entitlement or cause of action related to the timeliness of CST services, and may not provide the basis for a contempt sanction or a motion to dismiss criminal charges.

On April 23, 2014, the Joint Legislative Audit & Review Committee issued an audit report reviewing the timeliness of forensic services provided by DSHS in comparison to the performance targets. It found that DSHS is not consistently meeting its performance targets, or assumed evaluator staffing and productivity levels. The report stated that DSHS has struggled to provide accurate and timely performance information.

Summary: Maximum time limits are established for the completion of CST services:

- 14 days to extend an offer of admission to state hospital for a defendant to receive inpatient services related to CST; and
- 14 days to complete a CST evaluation in jail, plus an additional seven-day extension to complete the evaluation if necessary for clinical reasons at the determination of DSHS.

These maximum time limits must be phased in over a one-year time period beginning July 1, 2015. The seven-day performance targets for completion of these services are retained.

The list of documents that must be provided with a referral for CST evaluation is increased to specifically include police reports, the names and addresses of the attorneys, the name of the judge ordering the evaluation, and information about the alleged crime.

The nonexclusive list of circumstances in which the Legislature recognizes that performance targets may not be achievable are recharacterized as affirmative defenses which the state may offer to defend against an allegation that the state has exceeded maximum time limits. This list is increased by the addition of two circumstances: (1) DSHS does not have access to appropriate private space to conduct a competency evaluation for a defendant in pretrial custody; and (2) the defendant asserts legal rights that result in a delay in providing competency services.

Votes on Final Passage:

Senate	48	1
House	84	14

Effective: July 24, 2015

ESB 5893
C 299 L 15

Addressing the nonemployee status of athletes affiliated with the Western Hockey League.

By Senators Fain, Mullet, Litzow, Liias and Hargrove.

Senate Committee on Commerce & Labor
House Committee on Labor

Background: Minimum Wage Act (MWA). The MWA establishes a minimum wage that must be paid to all em-

ployees in the state. Under the MWA, an employee is any individual employed by an employer except those specifically excluded in statute. An employer under the MWA is any individual, partnership, association, corporation, business, trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee. Consequently, any individual who is engaged or permitted to work for an employer is entitled to the state minimum wage, unless specifically exempt.

Industrial Welfare Act (IWA). The IWA regulates hours and conditions of labor and other wage issues not specifically covered by the MWA. The IWA applies to all employers and employees in the state unless specifically exempt. An employee under the IWA is an employee who is employed in the business of the employee's employer, whether by manual labor or otherwise. An employer under the IWA includes any person, firm, corporation, partnership, business, trust, legal representative, or other business entity which engages in any business, industry, profession, or activity in the state and employs one or more employees.

Washington's industrial insurance laws do not cover amateur athletes.

Summary: For the purposes of the MWA and IWA, the term employee does not include an individual who is sixteen to twenty years old, in the individual's capacity as a player for a junior ice hockey team that is a member of a regional, national, or international league and that contracts with an arena owned, operated, or managed by a public facilities district.

Votes on Final Passage:

Senate	47	0	
House	91	7	(House amended)
Senate	47	1	(Senate concurred)

Effective: July 24, 2015

SSB 5897

C 100 L 15

Concerning funding for medical evaluations of suspected victims of child abuse.

By Senate Committee on Ways & Means (originally sponsored by Senators Cleveland, Darneille, McAuliffe, Kohl-Welles and Chase).

Senate Committee on Human Services, Mental Health & Housing
Senate Committee on Ways & Means
House Committee on Early Learning & Human Services
House Committee on Appropriations

Background: In 1973 the Legislature established the Crime Victims' Compensation Fund (CVCF) to cover victims' medical bills and other costs associated with the offender's crime. State law requires the CVCF to pay for initial sexual assault examinations that are conducted for gathering evidence for possible prosecution. These activities are known as the SAFE program. The Washington Administrative Code specifies that the state is the primary payer of this benefit and the client is not required to file an application with the CVCF to receive this benefit. The Washington Department of Labor and Industries administers the funds associated with the CVCF. Currently, child sexual abuse exams are eligible for reimbursement through the SAFE program, but child physical abuse exams are not eligible for CVCF coverage in the same manner as the SAFE program.

Summary: Subject to the availability of funds appropriated for this purpose, the CVCF, secondary to any other insurance, is available for reimbursement of costs related to the examination of a suspected victim of assault of a child when the exam is conducted within 75 days of the filing of a petition for dependency by the Department of Social and Health Services. The act expires June 30, 2019.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

ESB 5923

C 241 L 15

Promoting economic recovery in the construction industry.

By Senators Brown, Liias, Roach, Dansel, Hobbs, Warnick and Chase.

Senate Committee on Trade & Economic Development
House Committee on Technology & Economic Development
House Committee on Local Government

Background: The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. GMA establishes land use designation and environmental protection requirements for all counties and cities.

Planning jurisdictions may impose impact fees on development activity as part of the financing of public facilities needed to serve new growth and development. Impact fees may be collected and spent only for qualifying public facilities that are included within a comprehensive plan.

Legislation adopted in 2013 – ESHB 1652 – obligated counties, cities, and towns to adopt deferral systems for the collection of impact fees from applicants for residential building permits through a covenant-based process, or through a process that delays payment until final inspection, certificate of occupancy, or equivalent certification. The legislation was vetoed in its entirety by the Governor on May 21, 2013.

Summary: Counties, cities, and towns that collect impact fees must adopt a system for the deferred collection of impact fees from applicants for residential building permits by September 1, 2016. The deferral system must include one or more of the following options including deferral of the collection of impact fees until final inspection, certificate of occupancy, or upon the first sale of the property.

An applicant seeking a deferral must grant and record a deferred impact fee lien against the property in favor of the local jurisdiction. The amount of impact fees that may be deferred is determined by the fees in effect at the time the applicant applies for a deferral. Unless otherwise provided, payment of deferred impact fees at the time of sale is the seller's responsibility. The term of an impact fee deferral may not exceed 18 months from the date of issuance of the building permit. If impact fees are not paid, the local jurisdiction may institute foreclosure proceedings to recover unpaid fees. If a local jurisdiction does not initiate foreclosure proceedings for unpaid school impact fees, the school district may begin foreclosure proceedings. Local jurisdictions may collect reasonable administrative fees to implement the deferral system.

A county, city, or town with an impact fee deferral process on or before April 1, 2015, is exempt from the obligation to establish an impact fee deferral system if the locally adopted deferral process delays all fees and remains in effect after September 1, 2016.

Each applicant for an impact fee deferral is entitled to annually receive deferrals for the first 20 single-family residential construction building permits per jurisdiction. A local jurisdiction may elect to defer more than 20 building permits for an applicant provided that the local jurisdiction consults with the school district regarding the additional deferrals and gives substantial weight to their recommendations.

If the collection of impact fees is delayed through a deferral process, the six-year timeframe for completing improvements or strategies to comply with concurrency provisions of the GMA may not begin until after the county or city receives full payment of all impact fees due.

The Department of Commerce must report annually to the Legislature beginning December 1, 2018 on the impact fee deferral process including the number of deferrals requested and issued by local jurisdictions, and the number of deferrals that were not paid. The Joint Legislative Audit and Review Committee must review the impact fee deferral requirements and submit a report to the Legislature by September 1, 2021.

Votes on Final Passage:

Senate	33	15	
House	82	15	(House amended)
Senate	28	18	(Senate concurred)

Effective: September 1, 2016

SSB 5933

C 101 L 15

Establishing a statewide training program on human trafficking laws for criminal justice personnel.

By Senate Committee on Law & Justice (originally sponsored by Senators O'Ban, Kohl-Welles, Miloscia, Fraser, Fain, Padden, Hasegawa, Litzow, Dammeier, Chase and Conway).

Senate Committee on Law & Justice
House Committee on Public Safety
House Committee on General Government & Information Technology

Background: Criminal justice personnel who investigate, prosecute, and adjudicate human trafficking crimes need a good foundation in the state laws governing human trafficking to perform their duties effectively. Interdisciplinary training for the criminal justice community promotes the best use of existing laws to reduce instances of human trafficking.

Summary: The Office of Crime Victims Advocacy (OCVA) at the Department of Commerce must establish a statewide coordinated training program for criminal justice personnel on Washington's human trafficking laws. Where possible an entity with experience in developing training programs, coalitions, and policy on human trafficking in Washington must provide the training. The OCVA must provide a biennial report to legislative policy committees working on human trafficking issues about the training and its effectiveness.

The training curriculum must encourage interdisciplinary coordination among criminal justice personnel, build cultural competency, and develop understanding of diverse victim populations including children, youth, and adults.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

ESB 5935

C 242 L 15

Concerning biological products.

By Senators Parlette and Frockt.

Senate Committee on Health Care
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: A biological product, as defined by federal rule, means a virus, therapeutic serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, protein, or analogous product applicable to the prevention, treatment, or cure of a disease or condition of

human beings. These are more complex than traditional chemically synthesized drugs. Biological products are manufactured from living organisms by programming cell lines to produce desired therapeutic substances. Examples of biological products include human growth hormone, injectable treatments for arthritis and psoriasis, the Hepatitis B vaccine, and stem cell therapy.

A biosimilar is a biological product that is highly similar to a biological product, with minor differences in clinically inactive components. A biosimilar is considered to be interchangeable with a biological product if it is determined by the Food and Drug Administration that it can be expected to produce the same clinical result as the reference biological product in any given patient and there is no risk in terms of safety or diminished efficacy of alternating or switching between the biosimilar and the biological product.

The Affordable Care Act amended the Public Health Services Act to create an abbreviated licensure pathway for biosimilar products that are interchangeable with a Food and Drug Administration-licensed biological product. This is similar to the pathway permitted for drug manufactures to substitute generic drugs for brand-name prescription drugs that have been approved under the Food, Drug, and Cosmetic Act. Under this pathway, the Secretary of Health and Human Services may determine a biosimilar to be interchangeable with a biological product if it is determined that the biosimilar is expected to produce the same clinical result as the reference product in any given patient or there is not likely to be a risk to safety or efficacy by switching to the biosimilar. If the biosimilar is interchangeable, a pharmacy may substitute without the intervention of the health care provider.

Summary: Every drug prescription form must contain an instruction of whether or not a generic drug or an interchangeable biological product may be substituted. If dispense as written is indicated, an interchangeable biological product may not be substituted. If substitution is permitted, the pharmacist must substitute an interchangeable biological product for the biological product prescribed if the wholesale price of the interchangeable product is less than the wholesale price of the biological product prescribed.

Until August 1, 2020, the pharmacist must notify the prescriber if an interchangeable biological product is being substituted for the drug prescribed. Notice to the practitioner must be made within five days of the substitution and can be accomplished through use of an electronic records system such as an interoperable electronic medical records system, an electronic prescribing technology, a pharmacy benefit management system, or a pharmacy record if the practitioner has access to the electronic medical record system. If electronic medical records are not available, notification may then be made through other methods including facsimile or telephone. Notification is not required for refills or in situations where the pharmacist has communicated with the practitioner before substitution.

The Pharmacy Quality Assurance Commission must maintain a list of interchangeable biological products and all biological products approved as therapeutically equivalent by the federal Food and Drug Administration on its website.

Pharmacists and pharmacies are provided with protection from liability based on the decision to dispense the interchangeable biological product.

Pharmacies must post a sign that interchangeable biological products may be substituted for the drug prescribed by a patient's doctor.

Votes on Final Passage:

Senate	48	1	
House	96	1	(House amended)
Senate	47	1	(Senate concurred)

Effective: July 24, 2015

2ESSB 5954
C 36 L 15 E 3

Reducing tuition.

By Senate Committee on Ways & Means (originally sponsored by Senators Braun, Bailey, Hill, Becker, Fain, Miloscia, Parlette, Angel, Schoesler, Brown, Litzow, Warnick, Honeyford, Sheldon, Rivers, Roach and Benton).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education

Background: Tuition-Setting Authority. In 2011 the Legislature enacted E2SHB 1795, the Higher Education Opportunity Act, which provided four-year institutions the authority to set tuition rates for resident undergraduate students through the 2014-15 academic year. In the 2015-16 through 2018-19 academic years they are granted tuition-setting authority within limits based on a state funding baseline year and funding for similar higher education institutions in the Global Challenge States.

When a public baccalaureate institution raises tuition beyond levels assumed in the operating budget, the institution must remit 5 percent of operating fees back to students in the form of financial aid. Additionally, to offset increased tuition, institutions must provide financial assistance to State Need Grant-eligible students, resident low and middle-income students via a specific formula depending on tuition price as a percentage of median family income in various income brackets up to 125 percent of the median family income. Financial assistance may be provided through various methods with sources from tuition revenue, locally held funds, tuition waivers, or local financial aid programs.

Washington's Guaranteed Education Tuition (GET) Program. The GET program is a 529 prepaid college tui-

tion plan established in 1997. The GET Program allows purchasers to pre-pay for tuition units that will be used at a later date. The state guarantees that 100 GET units will cover one year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. GET units do not cover institutionally mandated fees that may be required at each individual school.

The current unit price is $172. Unit purchase price is based on an actuarial formula that includes current cost of tuition, estimated future tuitions, inflation, investment returns, and administrative costs, and the need for a reserve to assist in periods of fluctuating returns or higher-than-average tuition. The current payout value is $117.82 – effective through July 31, 2015.

Summary: Public baccalaureate tuition-setting authority for resident undergraduate (RUG) students is removed. In the 2015-16 academic year, the RUG tuition operating fee for all public colleges and universities is reduced by 5 percent from the 2014-15 tuition operating fee.

In the 2016-17 academic year, the RUG tuition operating fee for regional universities and The Evergreen State College is reduced by 20 percent from 2014-15 academic year levels. The RUG tuition operating fee for research universities is reduced 15 percent from 2014-15 academic year levels.

Beginning in the 2017-18 and each academic year thereafter, resident undergraduate tuition for all public colleges and universities may grow by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by the Bureau of Labor Statistics.

As a result of changes in tuition fees, four-year public institutions of higher education must not reduce resident undergraduate enrollment below the 2014-15 academic-year levels.

Beginning with the 2015-17 operating budget, the Legislature must appropriate to the State Board for Community and Technical Colleges and each four-year institution of higher education an amount that is at least equal to the total state funds appropriated in the 2013-15 biennium plus the reduction in net revenues from resident undergraduate tuition operating fees received for the 2015-17 fiscal biennium under this act. The net revenue loss must be adjusted for inflation in subsequent biennia. Additionally, the dollar value of the building fee must not be reduced below the level in the 2014-15 academic year, adjusted for inflation.

Both the State Need Grant and the College Bound Scholarship maximum awards can be reduced by no more than the percentage reduction in tuition operating fees. Awards provided to students attending private schools are exempt from this reduction.

For the 2015-16 and 2016-17 academic years, the governing body of the GET program must set the payout value for units redeemed during that academic year at $117.82 per unit.

For academic years after the 2016-17 academic year, the governing body must make the program adjustments it deems necessary and appropriate to ensure that the total payout value of each account on the effective date of the act is not decreased or diluted as a result of the initial application of any changes in tuition under the act. In the event the GET Committee or the governing body provides additional units under the act, the GET Committee and the governing body must also increase the maximum number of units that can be redeemed in any year to mitigate the reduction in available account value during any year as a result of the act. The governing body must notify holders of tuition units after the adjustment is made and must include a statement concerning the adjustment.

By December 1, 2016, the GET Committee must review and report to the Legislature on:

- the impact of decreasing tuition rates on the funded status and future unit price of the GET program;
- the feasibility and different options of establishing a college savings program;
- alternatives and impacts for changing the tuition payment distribution policy from tuition and fees to a cost of attendance metric; and
- changing the state penalty for GET unit withdrawal.

The Education Data Research Center must provide the Legislature a statistical analysis and a report on the time it takes students to complete their degrees by major by school. The report is due December 1, 2015.

The Washington State Institute for Public Policy must conduct a study on alternative tuition growth factors in addition to the median wage for the Legislature to determine its preferred metric moving forward. The report is due December 1, 2015.

Financial mitigation is no longer required for institutions that increased tuition for resident undergraduate students above the tuition increases assumed in the budget. The Office of Financial Management is no longer required to report annually the total per-student funding level and undergraduate tuition that each represent the sixtieth percentile of funding and tuition for similar institutions of higher education.

This act is known as the College Affordability Program.

Votes on Final Passage:

First Special Session

Senate	37	12
Senate	34	10

Third Special Session

Senate	48	0
House	98	0

Effective: October 10, 2015

SSB 5957
C 243 L 15

Creating a pedestrian safety advisory council.

By Senate Committee on Transportation (originally sponsored by Senators Liias, Rivers, Billig, King, Hobbs, Frockt and Hasegawa).

Senate Committee on Transportation
House Committee on Transportation

Background: The Washington Traffic Safety Commission (WTSC) is the designated highway safety office for Washington. According to the WTSC, in 2014, there were 67 pedestrian-vehicle collision fatalities, and 283 pedestrian-vehicle collision serious injuries in Washington.

Summary: The WTSC must convene and staff a pedestrian safety advisory council (Council). The Council may include, but is not limited to, the following members:

- a representative from the WTSC;
- a coroner from the county where the most pedestrian deaths have occurred;
- a representative from the Washington Association of Sheriffs and Police Chiefs;
- a representative from the Department of Transportation;
- a representative from cities, and two representatives from municipalities in which a pedestrian fatality has occurred in the past three years that are invited by the Council;
- a traffic engineer;
- a representative from a pedestrian advocacy group; and
- representatives from law enforcement who have investigated pedestrian fatalities.

The purpose of the Council is to review and analyze data related to pedestrian fatalities and serious injuries to identify points at which the transportation system can be improved and to identify patterns in pedestrian fatalities and serious injuries.

The Council may examine the statutes, ordinances, and policies governing pedestrians and traffic related to the incidents, as well as any available relevant information maintained in existing databases. The Council may also review law enforcement incident reports, victim, witness, and suspect statements, and any other information determined to be relevant for the review, to the extent such review is permitted by law or court rule. Any confidential information, such as personally identifiable information from a medical record, obtained by the Council or the WTSC is not subject to public disclosure.

The Council must provide a report and make recommendations on measures that could improve pedestrian safety by December 31 of each year. The report must be provided to the Governor, the transportation committees of the Legislature, and all municipal governments and state agencies participating on the panel. By December 1, 2018, the Council must report to the Legislature on the strategies that have been deployed to improve pedestrian safety by the Council and make recommendations whether the Council should be continued and/or improved.

Representatives of the WTSC and the other members of the Council are immune from civil liability for the good-faith exercise of the duties of the Council related to the reviewing of fatalities and serious injuries. Council members, and any other person in attendance at a Council meeting or who otherwise participated in the collection of data and preparation of Council reports, are prohibited from testifying in a civil action related to matters the Council has reviewed. Documents prepared by or for the Council are generally inadmissible in a civil or administrative proceeding. Nothing in this act is intended to create a private civil cause of action.

The Council expires June 30, 2019.

Votes on Final Passage:

Senate	48	1	
House	57	41	(House amended)
Senate	35	9	(Senate concurred)

Effective: July 24, 2015

SB 5958
C 219 L 15

Requiring the governor's veterans affairs advisory committee to appoint liaisons to the state veterans' homes if the home does not have a representative on the committee.

By Senators Roach, Liias, Benton, McCoy, Angel and Chase; by request of Department of Veterans Affairs.

Senate Committee on Government Operations & Security
House Committee on Community Development, Housing & Tribal Affairs

Background: The Veterans Affairs Advisory Committee (VAAC). The VAAC provides advice and makes recommendations to the Governor and the Director of the Department of Veterans Affairs (DVA). The Committee has 17 members appointed by the Governor to serve four-year terms. The VAAC consists of the following:

- one member from the Washington Soldier's Home in Orting and one member from the Veterans' Home in Retsil;
- one member from each of the three congressionally chartered and recognized veterans service organizations with the largest memberships in the state;
- ten members to represent the congressionally chartered and recognized veterans service organizations that have at least one active chapter in the state; and
- two members who are veterans at large.

The Governor must ensure that appointments represent all regions of the state and minority and women's veteran viewpoints.

State Veterans' Homes. The state Constitution mandates that the Legislature provide a soldiers' home for honorably discharged resident soldiers, sailors, and marines who were disabled in the line of duty. DVA manages the veterans' homes and must provide room and board, medical, dental, domiciliary and nursing care, physical and occupational therapy, and recreational activities to residents. There are four veterans' homes in the state:

- the Washington Soldiers' Home in Orting, established in 1980;
- the Washington Veterans' Home in Retsil, established in 1907;
- the Eastern Washington Veterans' Home in Spokane, established in 2001; and
- the Walla Walla Veterans' Home, established in 2014.

Summary: If the resident council for the Orting or Retsil veterans' home does not nominate a resident to represent the home on the VAAC, the Governor may appoint a member-at-large in place of that home's representative. The VAAC must appoint a liaison to any state veterans' home with no representative appointed to the committee. The veterans' homes liaisons must share information about VAAC business with the resident council of the veterans' home and ensure that issues raised by the veterans' homes residents are included in regular VAAC meetings.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 24, 2015

SB 5974
C 127 L 15

Requiring the insurance commissioner to review barriers to offering supplemental coverage options to disabled veterans and their dependents.

By Senators Benton, Bailey, Hobbs, Chase, Cleveland, Angel, Hasegawa, Roach, Jayapal, Fraser, McCoy and Hewitt.

Senate Committee on Health Care
Senate Committee on Financial Institutions & Insurance
House Committee on Health Care & Wellness

Background: The federal Department of Veterans Affairs offers a health benefits program, the Civilian Health and Medical Program, commonly called CHAMPVA. The CHAMPVA shares the cost of certain health care services and supplies with eligible beneficiaries, with reimbursement for most medical expenses including inpatient, outpatient, mental health, prescription medication, skilled nursing care, and durable medical equipment.

Eligible beneficiaries include the spouse or widow or widower and the children of a veteran who:

- is rated permanently and totally disabled due to a service-connected disability;
- was rated permanently and totally disabled due to a service-connected condition at the time of death;
- died of a service-connected disability; or
- died on active duty, and the dependents are not eligible for Department of Defense Tricare benefits.

Supplemental insurance policies are available to offset some or all out-of-pocket costs. The supplemental insurance policies are sold by private insurance carriers, and a variety of carriers offer policies across the country, but policies are not currently available in Washington State. Current insurance law does allow the supplemental policies.

Summary: The Office of the Insurance Commissioner must review current barriers to attracting supplemental plans into the state and report on steps the state and the Department of Veterans Affairs can take to promote access to the supplemental policies. The review of the barriers and recommendations must be submitted to the appropriate committees of the Legislature, the Governor, and the Department of Veterans Affairs by November 11, 2015.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 24, 2015

2ESSB 5987
C 44 L 15 E 3

Concerning transportation revenue.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias and Litzow).

Senate Committee on Transportation
House Committee on Transportation

Background: 18th Amendment. The 18th Amendment to the Washington State Constitution requires that the state's motor vehicle fuel taxes, currently $0.375 per gallon; vehicle licensing fees; and all other state revenue intended to be used for highway purposes be deposited into the Motor Vehicle Fund. Monies in that fund may only be spent for highway purposes, which are defined to include expenditures on construction, preservation, maintenance, operation, and administration of highways and ferries.

Handling Loss Deduction. Licensed fuel suppliers, distributors, and importers are allowed a handling loss deduction on motor vehicle fuel as follows: for a motor vehicle fuel supplier acting as a distributor, 0.25 percent; and for all other licensees, 0.30 percent. Originally this was to account for losses the distributors sustained through evaporation and handling and was reduced in 1951 from 1 percent to the current rate. In 2008 the Joint Legislative Audit

and Review Committee (JLARC) reviewed this exemption – JLARC Report 09-4: 2008 Expedited Tax Preference Performance Reviews – and recommended that the Legislature terminate the motor fuel handling loss deduction. Their recommendation was based on current Department of Ecology regulations concerning the methods and equipment used in the distribution of fuel, which allow for little or no handling losses.

Transfers to Non-Highway Accounts. Transfers are made from the Motor Vehicle Fund to the ORV and Nonhighway Vehicle Account, the Marine Fuel Tax Refund Account, and the Snowmobile Account for motor vehicle fuel taxes paid by non-highway users. Each of these transfers is made based on a calculation that is based on a rate of fuel tax of $0.23 per gallon.

Weight Fees. Generally all motor vehicles used on public highways must be registered with the Department of Licensing (DOL) annually. Most vehicles, such as passenger cars, motorcycles, vans, and cabs, are subject to a $30 license tab fee; a weight fee of $10, $20, or $30 based on the scale weight of the vehicle; and other fees totaling $3.75. The proceeds from vehicle weight fees are deposited to the Multimodal Transportation Account. Funds in the Multimodal Transportation Account are used for transportation purposes, which is broader than highway purposes and can include public transportation and rail.

License Fee by Weight. In lieu of the vehicle license fee and weight fees, trucks, buses, and for-hire vehicles are subject to a license fee based on gross vehicle weight (GVW). The license fee by weight ranges from $38 for a 4000 pound vehicle to $3,400 for a 105,500 pound vehicle, in addition to a $3 filing fee. Proceeds from the license fee by weight are deposited into various accounts within the Motor Vehicle Fund.

Electric Vehicle Fee. In addition to any other fees due at annual vehicle registration, vehicles that are powered by electricity are subject to a licensing fee of $100 which is deposited into the Motor Vehicle Fund. If in any year proceeds from the electric vehicle fee are more than $1 million, 15 percent of the total funds must be deposited to the Transportation Improvement Account and 15 percent must be deposited to the Rural Arterial Trust Account.

Commercial Driver's Licenses. Any driver over 18 years of age with a valid driver's license can apply for a commercial driver instruction permit. To receive a commercial driver instruction permit, the person must pass a knowledge test. There is a $10 application fee. Prior to being issued a commercial driver's license (CDL) an applicant must have successfully completed a course of instruction in the operation of a commercial motor vehicle or have been certified by an employer as having the skills and training necessary to operate a commercial motor vehicle safely, and have passed a knowledge and skills test. An applicant must pay a fee of no more than $10 for each knowledge examination and a fee of no more than $100 for the skills examination; however, if the applicant's primary use of a CDL is for public benefit not-for-profit corporations that are federally supported head start programs, or public not-for-profit corporations that support early childhood education and assistance programs, then the applicant must a pay a fee of no more than $75 for the skills examination. A person who has been disqualified from operating a commercial motor vehicle may apply for a reinstatement of a CDL with a payment of $20 after the appropriate disqualification time period has expired.

Enhanced Driver's Licenses and Indenticards. The enhanced driver license (EDL) or enhanced ID card (EID) may be issued to a Washington resident that is also a United States citizen if they have confirmed their identity and citizenship. A person applying for an EDL must be at least 18 years old, and any age for a enhanced ID card and costs $15 in addition to any other fees due for a driver's license or ID card.

Studded Tires. Studded tires may only be used from November 1 until March 31 of each year or during other times of the year if the Washington State Department of Transportation (WSDOT) deem it acceptable. The use of studded tires during any other time of the year is a traffic infraction.

Report of Sale/Transitional Ownership. The owner of a vehicle must notify DOL, the county, or a subagent when they sell or otherwise dispose of a vehicle. In order for a report of sale to be considered properly filed, it must include the date of the sale; the name and address of the seller and the buyer; the vehicle identification number and license plate number; the required fees, $3.75 if it is submitted to the county, or $5 if it is submitted to a subagent; and a date stamp by DOL showing that it was received on or before the fifth business day after the date of transfer.

Transportation Benefit District (TBD). A TBD is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the TBD. A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. A TBD has independent taxing authority to implement the various revenue measures with voter approval. Additionally a TBD may impose a vehicle fee of up to $20 annually with a majority vote of the governing body if the TBD includes all the territory within the boundaries of the jurisdiction establishing the TBD.

Public Transportation Benefit Area (PTBA). A PTBA is a special-purpose district authorized to provide public transportation service within all or a portion of a county or counties. Cities must be wholly included or excluded. The PTBA is the most common type of district providing public transportation service in the state, with 21 currently in existence. A PTBA located on Puget Sound may also provide passenger-only ferry (POF) service after developing an investment plan. A PTBA may collect fares for service and, with approval of the majority of the voters within

the area, impose up to a 0.9 percent sales and use tax within the area.

High Capacity Transportation (HCT) Systems. An HCT system is a system of public transportation services within an urbanized region operating principally on exclusive rights-of-way, and the supporting services and facilities necessary to implement the system, including interim express services and high occupancy vehicle lanes, which, taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways. In the central Puget Sound region, HCT systems may be established and financed by a regional transit authority or a regional transportation investment district. There is currently one regional transit authority that has financed an HCT system, which is Sound Transit. Outside the central Puget Sound region, HCT systems may be established by transit agencies in counties containing an interstate highway that have a population greater than 175,000, which are Benton, Clark, Spokane, Thurston, Whatcom, and Yakima counties. Transit agencies authorized to provide HCT service may seek to finance the system and service with the following voter-approved revenue measures:

- an employer tax of up to $2 per month per employee;
- rental car sales and use tax not to exceed 2.172 percent; and
- sales and use tax not to exceed 0.9 percent.

Sound Transit. A Regional Transit Authority (RTA) is authorized to use its tax revenues to develop and operate an HCT system. There is currently one RTA, Sound Transit, which operates light rail, commuter rail service, and express bus service in the central Puget Sound. After the approval of the most recent system expansion plan in 2008, Sound Transit imposes a sales and use tax of 0.9 percent, a motor vehicle excise tax of 0.3 percent, and a rental car sales and use tax of 0.8 percent within the boundaries of the Sound Transit district.

Motor Vehicle Excise Tax (MVET). An MVET is a tax paid on the value of a motor vehicle. For the purpose of determining any locally imposed MVET, the value of a vehicle other than a truck or trailer is 85 percent of the manufacturer's base suggested retail price of the vehicle when first offered for sale as a new vehicle, excluding any optional equipment, applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in the depreciation schedules. For the purpose of determining any locally imposed MVET, the value of a truck or trailer is the latest purchase price of the vehicle, excluding applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in the depreciation schedules based on the year of service of the vehicle since its last sale. The latest purchase year is considered the first year of service.

Property Tax Levy. The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value – $10 per $1,000 of assessed value. The Legislature established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For example, the state levy rate is limited to $3.60 per $1,000 of assessed value, county general levies are limited to $1.80 per $1,000 of assessed value, county road levies are limited to $2.25 per $1,000 of assessed value, and city levies are limited to $3.375 per $1,000 of assessed value. These districts are known as senior districts. Junior districts such as fire, library, hospital, and metropolitan park districts each have specific rate limits as well. The tax rates for most of these senior and junior districts must fit within an overall rate limit of $5.90 per $1,000 of assessed value. State statutes contain schedules specifying the preferential order in which the various junior taxing district levies will be prorated in the event that the $5.90 limit is exceeded. Under this prorating system, senior districts are given preference over junior districts.

Property Tax Gap. A few regular property tax levies are not placed into the $5.90 aggregate rate limit: emergency medical services, conservation futures, affordable housing, certain metropolitan park districts, county ferry districts, criminal justice, fire districts, and county transit. However, these districts are subject to reduction if the rates for these districts, the state property tax, and the districts subject to the $5.90 limit together exceed the constitutional limit of $10 per $1,000 of assessed value. These districts are in what has been called the gap, the $0.50 remaining after subtracting the $3.60 state levy and the $5.90 in local regular levies from the statutory $10 limit.

Summary: Fuel Taxes and Transfers. The motor vehicle fuel tax is increased by $0.119 per gallon as follows:

- $0.07 per gallon effective August 1, 2015; and
- $0.049 per gallon effective July 1, 2016.

Revenue from the $0.119 per gallon is distributed into the newly created Connecting Washington Account in the Motor Vehicle Fund.

The rate used to calculate transfers from the Motor Vehicle Fund to the ORV and Non-highway Vehicle Account, the Marine Fuel Tax Refund Account, and the Snowmobile Account for motor vehicle fuel taxes paid by non-highway users is increased with each increase in motor vehicle fuel taxes to a total of $0.349 per gallon until July 1, 2031, when the rate will be based on the motor vehicle fuel tax rate in effect at that time.

The handling loss deduction from the motor vehicle fuel tax is repealed.

Weight Fees. Beginning July 1, 2016, weight fees are increased with a scale weigh of up to 14,000 pounds as shown in the table below. Beginning July 1, 2022, an additional $10 weight fee is added, which is deposited

into the Multimodal Transportation Fund unless prior to July 1, 2023, a clean fuel standard policy is initiated or adopted by rule, in which case it is deposited into the Connecting Washington Account.

Scale Weight	Current Fee	FY 2017 Increase	FY 2017-2021 Fee	FY 2022 Increase	FY 2022 Fee
4,000	$10	$15	$25	$10	$35
6,000	$20	$25	$45	$10	$55
8,000	$30	$35	$65	$10	$75
10,000	$32	$33	$65	$10	$75
12,000	$49	$16	$65	$10	$75
14,000	$60	$5	$65	$10	$75
>16,000	$72+	$0-	$72	$10	$82

FY = Fiscal Year, July 1 through June 30 of each year.

Under the current law, weight fees increase commensurate with the license fee by weight but under this this act, the vehicles with a scale weight above fee is capped at $72 until 2022, and then $82. As a result the weight fee for vehicles 16,000 and above would decrease.

License Fee by Weight. Beginning July 1, 2016, the license fee by weight that is imposed on vehicles with a GVW of 10,000 and less is increased by $15 to $35. Beginning July 1, 2022, an additional $10 fee is added on vehicles with a GVW of less than or equal to 12,000, which is distributed to various accounts within the Motor Vehicle Fund, consistent with the distributing of other license fees by weight.

GVW	Current Fee	FY 2017	FY 2017-2021	FY 2022 Increase	FY 2022
4,000	$38	$15	$53	$10	$63
6,000	$48	$25	$73	$10	$83
8,000	$58	$35	$93	$10	$103
10,000	$60	$33	$93	$10	$103

Beginning July 1, 2016, a freight project fee of 15 percent of the license fee by weight is added on vehicles subject to a gross weight that have a GVW of more than 10,000 pounds. Proceeds from the fee are deposited in the Connecting Washington Account.

Driver-Related Fees. The following fee increases are effective July 1, 2016:

Document or Service	Current Fee	Proposed Fee
CDL Requalifications	$20	$35
CDL Instruction Permit	$10	$40
CDL Knowledge Exam	$10	$35
CDL Classified Skills Exam - Reduced	$75	$225
CDL Classified Skills Exam	$100	$250
Enhanced Driver's Licenses and Identicards	$15	$54

The skills exam increases do not impact applicants that intend to drive a school bus. Payment of the CDL knowledge exam fee and the CDL classified skills exam fee entitles the individual to take the test up to two times.

If an enhanced driver's license or identicard is issued for a period other than six years, the fee is $9 per year.

Proceeds from the driver-related fees are deposited into the Highway Safety Fund unless prior to July 1, 2023, a clean fuel standard policy is initiated or adopted by rule, in which case the additional revenue raised from the driver-related fee increases in this act are deposited into the Connecting Washington Account.

Administrative and Service Fees on Title and Registration Transactions. Beginning July 1, 2016, the services fees that are due on vehicle related registration and title transactions is expanded to include vessel related transactions. Beginning July 1, 2017, service fees, filing fees, license plate technology fees, and license service fees that are imposed on other titling and registration transactions are also applied to report of sale and transitional ownership transactions for a total cost of $8.75 as shown in the table below. The bolded numbers represent fees that are not currently imposed by location.

	Subagent	Auditor	DOL
License Plate Technology Fee	**$0.25**	$0.25	**$0.25**
License Service Fee	**$0.50**	$0.50	**$0.50**
Filing Fee	**$3.00**	$3.00	**$3.00**
Subagent Service Fee	$5.00	**$5.00**	**$5.00**
Current Total Administration Fees	$5.00	$3.75	$0.00
New Total Administration Fees	**$8.75**	**$8.75**	**$8.75**

A report of sale that is received by DOL, the county auditor or other agent, or subagent after 21 days becomes effective on the day it is received by DOL, the county auditor or other agent, or subagent.

Studded Tire Fee. Beginning July 1, 2016, a fee of $5 is added to the sale of each new studded tire, of which the seller retains 10 percent and the remainder is deposited to the Motor Vehicle Fund.

Electric Vehicles. Beginning July 1, 2016, the existing $100 electric vehicle fee is expanded to include plug-in electric hybrids vehicles and an additional $50 fee is added. Proceeds from the fees are first used to reimburse the Multimodal Transportation Account $1 million and the remainder is deposited to the Motor Vehicle Fund. An electric vehicle infrastructure bank is created. The pur-

pose of the bank is to provide financial assistance for the installation of publicly accessible electric vehicle charging stations in Washington.

Transportation Benefit Districts. A city or county with overlapping boundaries of a TBD may eliminate the separate entity status and assume the rights, powers, functions, and obligations of the TBD. A TBD may impose a vehicle fee of up to $40 upon a majority vote of the governing body if a $20 fee has been in effect for at least 24 months and may increase that fee to $50 upon a majority vote of the governing body if a $40 fee has been in effect for at least 24 months. Any increase above $40 is subject to a referendum. The median income threshold that a TBD may provide a rebate of a vehicle fee is increased from 45 percent to 75 percent and a TBD must follow a material change process if they change a TBD rebate.

Community Transit Sales and Use Tax. A PTBA in a county with a population of 700,000 or more, that also contains a city with a population of 75,000 or more that operates a municipal transit system, may impose an additional sales and use tax of up to 0.3 percent with approval of the voters within the area. Based on the current population and existing public transportation governing structures, the act would only apply to Community Transit in Snohomish County.

Kitsap Transit POF District. The governing body of a PTBA only bordering western Puget Sound with a population of more than 200,000 – currently only Kitsap Transit, may establish one or more POF districts (Districts) within the boundaries of the PTBA. The boundaries of a District may include all or a portion of a city or town if the portion to be included is within the PTBA's boundaries. A District is considered an independent taxing authority, and is governed by the existing governing body of the PTBA that creates the District. A District is authorized to establish, finance, and provide POF service. The District also has specific authority to enter into contracts for POF service, public-private partnerships, design-build or general contractor/construction management, and other alternative procurement processes. A District may also issue certain general obligation and revenue bonds.

Prior to implementing POF service, a District must develop a POF investment plan that contains specific elements. In order to provide POF service, a majority of the voters in the District must approve the POF investment plan and the proposed taxes as part of a single vote.

A District may collect the following revenues for the purpose of implementing the POF investment plan:

- up to a 0.3 percent sales and use tax;
- a commercial parking tax for counties with a population of less than 1 million;
- tolls for passengers, packages, and parking; and
- charges or licensing fees for advertising, leasing space for services to POF passengers, and other revenue-generating facilities.

Sound Transit. The following taxes may be imposed by and within the boundary of an RTA in a county with a population of 1.5 million or more if approved by a majority of the voters within the boundary of the RTA:

- An MVET of up to 0.8 percent of the value of the vehicle may be imposed, except trucks with a GVW of more than 6000 pounds, farm vehicles, and commercial trailers. The depreciation schedule remains the same as the MVET schedule in effect for the existing MVET until the bonds are repaid and then the schedule switches to the schedule that is in effect at the time the MVET is approved by the voters. The rental car sales and use tax that can be imposed is limited to the same ratio as the MVET that is imposed bears to the amount of the MVET that is allowed:
- The maximum sales and use tax rate is increased by 0.5 percent to a maximum rate of 1.4 percent.
- A property tax levy of up to $0.25 per $1,000 of assessed value may be imposed.

If an RTA imposes any of the taxes authorized above they are prohibited from receiving state grant funding except for transit coordination grants.

Distributions to Cities and Counties. A quarterly transfer of funds from the Multimodal Transportation Account and the Motor Vehicle Fund that is distributed evenly to cities and counties is established.

Tax Preferences. *Alternative Fuel Commercial Vehicle Tax Credits (HB 1396).* A credit is created against business and occupation tax and public utility tax for the portion of the purchase price of an alternative fuel commercial vehicle. Credits are limited to $6 million annually and may be earned through January 1, 2021. A quarterly transfer is established from the Multimodal Transportation Account to the General Fund in amounts equal to the credits taken. These sections are known as the clean fuel vehicle incentives act.

Alternative Fuel Vehicle Sales and Use Tax Exemptions (HB 2087). The sales and use tax exemption on alternative fuel passenger vehicles are extended until July 1, 2019; expanded to include plug in hybrid vehicles; and limited to apply only to vehicles with a selling price of $35,000 or less. A quarterly transfer is established from the Multimodal Transportation Account to the General Fund in amounts equal to the credits taken.

Commute Trip Reduction Tax Credit Program (HB 1822). The commute trip reduction tax credits and corresponding quarterly transfers from the Multimodal Transportation Account to the General Fund are extended until June 30, 2024, at $2,750,000 per year.

Other Provisions. A quarterly transfer from the General Fund to the Connecting Washington Account over the 12-year period between fiscal year 2020 and fiscal year 2031 that totals $518 million is established.

A sales and use tax offset fee that a regional transportation authority must pay until a total of $518 million has been paid is created.

Garbage and refuse companies may consider the cost of any taxes or fees that are imposed or increased as part of this act normal operating expenses and are not required to apply to the Utilities and Transportation Commission for pass-through rates.

The sales tax deferral on the Tacoma Narrows Bridge project is extended from December 31, 2018, to December 31, 2031.

The definition of "low-income" that a transportation benefit district uses to determine eligibility for rebates of taxes, fees, and tolls is changed from at or below 45 percent of the median household income to 75 percent of the median household income. A rebate program may not be changed to reduce the amount of the rebate of the income threshold without voter approval.

Funds in the Connecting Washington Account may not be used for the state route 99 Alaskan Way viaduct replacement project.

The Complete Streets grant program is moved from the Department of Transportation to the Transportation Improvement Board and is expanded to included projects on county roads as well as city streets.

Votes on Final Passage:

Senate	27	22	
Third Special Session			
Senate	39	9	
House	54	44	(House amended)
Senate	37	7	(Senate concurred)

Effective: July 15, 2015
July 1, 2016 (Sections 103, 105, and 110)
January 1, 2018 (Sections 323 and 325)
Contingent (Section 108)

2ESSB 5988

PARTIAL VETO
C 43 L 15 E 3

Concerning additive transportation funding and appropriations.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias and Litzow).

Senate Committee on Transportation
House 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.

Summary: Appropriations are provided for certain state transportation agencies and programs for the 2015-17 fiscal biennium based on additional revenues provided in Senate bills 5987 and 5989.

For additional information, see supporting new-law documents published by the Senate Transportation Committee which are available online at: http://leg.wa.gov/Senate/Committees/TRAN/.

Votes on Final Passage:

Senate	41	8
Third Special Session		
Senate	38	6
House	61	30

Effective: July 15, 2015

VETO MESSAGE ON 2ESSB 5988

July 15, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 204, page 3, lines 31-35, and page 4, lines 1-15, Second Engrossed Substitute Senate Bill No. 5988 entitled:

"AN ACT Relating to additive transportation funding and appropriations."

Section 204, page 3, lines 31-35, and page 4, lines 1-15, Department of Transportation, Beaver Dams

This proviso creates a complicated process for managing beaver dams on private property that pose a threat to Washington state highways, individual personal property, and public safety. The proposed process would require the Washington State Department of Transportation to notify private property owners of impending threats from beaver dam failure, to produce wildlife management plans, and to provide potential remedies that could create liability for the state. Therefore, I have vetoed Section 204, page 3, lines 31-35, and page 4, lines 1-15.

For these reasons I have vetoed Section 204, page 3, lines 31-35, and page 4, lines 1-15 of Second Engrossed Substitute Senate Bill No. 5988.

With the exception of Section 204, page 3, lines 31-35, and page 4, lines 1-15, Second Engrossed Substitute Senate Bill No. 5988 is approved.

Respectfully submitted,

Jay Inslee
Governor

ESSB 5989
C 45 L 15 E 3

Authorizing bonds for transportation funding.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias and Litzow).

Senate Committee on Transportation

Background: Bonds are issued to fund transportation capital projects that have a long-term expected life span. Bonding authority must be authorized by 60 percent of the Legislature and the proceeds from the sale of the bonds must be appropriated for eligible transportation projects.

Summary: Authorization is provided for the sale of $5.3 billion of general obligation bonds for transportation safety and improvement projects. The bonds are backed by the motor fuel tax, vehicle-related fees used for highway purposes, and the full faith and credit of the state.

Votes on Final Passage:

Third Special Session

Senate	40	7
House	63	29

Effective: July 15, 2015
July 1, 2016 (Sections 8-10)

2ESSB 5992
C 14 L 15 E 3

Modifying certain requirements for ferry vessel construction.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias, Litzow, Braun, Schoesler, Parlette, Warnick, Sheldon, Becker and Brown).

Senate Committee on Transportation
House Committee on Transportation

Background: Washington State Ferries (WSF) may use design-build as a contracting option for construction of new ferries, whereby design and construction are completed by the bidder. Current design-build laws available to WSF include a provision that any vessels constructed must be built in Washington.

An independent owners' representative is a position used by some entities as a third-party intermediary to facilitate construction projects. Their roles may include project quality oversight and change-order management.

A 2012 audit of WSF vessel construction costs by the State Auditor's Office contained several recommendations for improving vessel construction.

Summary: Issuing a Request for Proposals. The Washington State Department of Transportation (WSDOT) may not issue a request for proposals (RFP) for vessels without specific authorization from the Legislature. After July 1, 2017, if initial bids on a new vessel are greater than 5 percent above the WSDOT engineers' estimate for the project, all bids must be rejected and a new request that is not subject to build-in-Washington requirements is issued.

Contracting and Process Requirements for Construction of a New Vessel. WSF must use a design-build purchasing process for new auto vessels. WSF also must use an independent owners' representative (IOR) as a third-party intermediary during the development and construction of the first vessel constructed in a new class. The IOR is to serve as WSF's primary advocate and communicator with the design-build proposers, perform project quality oversight, manage change orders, and ensure the contract is adhered to.

WSF must use a fixed-price contract, which is defined as a contract that requires the contractor to deliver a project for a set price. Change orders are allowable but should be used on a limited basis. To accommodate change orders, WSF must identify up to 10 percent of the contract price as contingency funds on vessels powered with natural gas, and up to 5 percent of the contract price as contingency funds on all other vessels, in their legislative appropriation request. The Office of Financial Management must hold these funds in reserve and may approve their release.

New vessel contracts must include a requirement that all vessel design and drawings are complete and meet the requirements of the U.S. Coast Guard prior to construction beginning.

Other Provisions. Options executed on existing contracts for new 144-car vessels are exempt from the requirements in this act.

A study of the state's ferry vessel procurement practices by the Washington State Institute for Public Policy is required, with a report due to the Legislature by December 1, 2016.

Votes on Final Passage:

Senate	48	1

Third Special Session

Senate	41	4
House	97	0

Effective: July 6, 2015

2ESB 5993
C 40 L 15 E 3

Concerning public works contracts and projects.

By Senators King, Fain, Litzow, Braun, Schoesler, Parlette, Warnick, Sheldon, Hewitt, Becker and Brown.

Senate Committee on Transportation
House Committee on Labor

Background: For contracts advertised for bid on or after July 1, 2009, for all public works by the Department of Transportation (DOT) estimated to cost $2 million or

more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

The Department of Labor and Industries does not provide registered contractors with the option of completing a wage survey to assist in the establishment of a prevailing wage rate electronically.

Helmets to Hardhats is a national nonprofit program designed to connect National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and career opportunities in the construction industry.

Summary: Contracts advertised for bid on or after July 1, 2015, and before July 1, 2020, for all public works by DOT estimated to cost $3 million or more must require that no less than 15 percent of the labor hours be performed by apprentices. For contracts advertised for bid on or after July 1, 2020, all public works by DOT estimated to cost $2 million or more, all specifications must require that not less than 15 percent of the labor hours be performed by apprentices.

The Department of Labor and Industries must provide registered contractors with the option of completing a wage survey electronically.

The state coordinator for the federal Helmets to Hardhats program is created at DOT. DOT must establish procedures, in consultation with the Department of Veterans Affairs and applicable veterans and labor organizations, for coordinating opportunities for veterans to obtain skilled training and employment in the construction industry.

Votes on Final Passage:

Senate 48 1

Third Special Session

Senate 43 2
House 97 1

Effective: July 14, 2015

2ESSB 5994
C 15 L 15 E 3

Concerning permits for state transportation projects.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias, Litzow, Braun, Schoesler, Parlette, Dammeier, Warnick, Sheldon, Hewitt, Becker, Brown and Bailey).

Senate Committee on Transportation
House Committee on Environment
House Committee on Transportation

Background: Current law contains various local government permit requirements and procedures applicable to state transportation projects. The Washington State Department of Transportation (WSDOT) does not have the option to appeal permits to superior courts prior to an appeals process heard by local hearing officers or other local appeals processes. Third parties have the right to appeal permits issued by cities, counties, or code cities. Current law is silent on how long local permitting agencies should take to issue permits.

Summary: To the greatest extent practicable, a permit must be issued by a city, county, or code city to WSDOT within 90 days of WSDOT completing a permit application for transportation projects under $500 million. WSDOT is directed to coordinate a state agency workgroup in 2016 that identifies issues, laws, and regulations relevant to consolidating and coordinating National Environmental Policy Act processes with State Environmental Policy Act processes. The workgroup must report by December 31, 2016, to the Legislature with recommendations for legislation or rules that would reduce delays and time associated with review by state and federal agencies, including suggestions for new categorical exemptions.

For projects that address significant public safety risks, the Shorelines Management Act is amended to allow WSDOT to begin construction 21 days after the date of filing a permit. WSDOT must provide local governments with a plan that avoids and minimizes impacts to shoreline ecological functions. WSDOT is exempt from obtaining a substantial development permit under the Shorelines Management Act as long as the projects maintain, repair, or replace elements within the roadway prism. WSDOT must provide written notification of projects and activities authorized under this section with a cost in excess of $1 million before the design or plan is finalized with government stakeholders, as well as adjacent property owners.

Votes on Final Passage:

Senate 39 19

Third Special Session

Senate 37 8
House 91 7

Effective: July 6, 2015

2ESB 5995
C 16 L 15 E 3

Modifying the transportation system policy goal of mobility.

By Senators King, Hobbs, Fain, Liias, Litzow, Braun, Schoesler, Parlette, Dammeier, Warnick, Sheldon, O'Ban, Becker, Brown and Bailey.

Senate Committee on Transportation
House Committee on Transportation

Background: Current state law includes the following six transportation policy goals: (1) economic vitality, (2) preservation, (3) safety, (4) mobility, (5) environment, and (6) stewardship. The goals are intended by the Legislature to serve as the basis for the planning, operation, perfor-

mance of, and investment in, the state's transportation system. The goals are also intended to be the basis for establishing detailed and measurable objectives and related performance measures. Additionally, state transportation agencies must perform their duties in a manner consistent with the policy goals.

Summary: The transportation policy goal of mobility is amended to include improving congestion relief and freight mobility.

Votes on Final Passage:

Senate	49	0
Third Special Session		
Senate	45	0
House	98	0

Effective: July 6, 2015

2ESSB 5996

PARTIAL VETO

C 17 L 15 E 3

Concerning Washington state department of transportation projects.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias, Litzow, Braun, Schoesler, Parlette, Dammeier, Warnick, Sheldon, O'Ban, Hewitt, Becker and Brown).

Senate Committee on Transportation
House Committee on Transportation

Background: The development of environmental impact statements at the Washington State Department of Transportation (WSDOT) requires working with a variety of stakeholders and permitting agencies. There is no broad, formalized process for WSDOT to follow in statute that ensures an efficient process that involves the participation of stakeholders along with various permitting agencies.

WSDOT's website tracks construction change orders that exceed $500,000, which may include costs due to design errors.

Summary: WSDOT is directed to streamline its permitting process by developing and maintaining positive relationships with permitting agencies and the Indian tribes. The Legislature directs WSDOT to demonstrate the capacity to meet its environmental responsibilities. Activities that will achieve this result include having qualified WSDOT staff supervise all environmental documentation in accordance with WSDOT's project delivery tools, holding pre-bid meetings for environmentally complex projects, and conducting field inspections to ensure that project activities comply with permit conditions and environmental commitments.

WSDOT must provide an annual report summarizing violations of environmental permits and regulations to The Department of Ecology and the Legislature on March 1 of each year for violations occurring during the preceding year.

WSDOT must submit a report to the transportation committees of the Legislature detailing engineering errors on highway construction projects resulting in project cost increases in excess of $500,000. An initial report is due within 30 days of the occurrence of the engineering error. A full report must be submitted within 90 days of the occurrence of the engineering error. The full report must include an assessment of how the engineering error happened, what employees made the error – (without disclosing the name of the employee or employees), and what corrective action was taken.

Votes on Final Passage:

Senate	47	2
Third Special Session		
Senate	41	4
House	98	0

Effective: July 6, 2015

VETO MESSAGE ON 2ESSB 5996

July 6, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 9, Second Engrossed Substitute Senate Bill No. 5996 entitled:

"AN ACT Relating to Washington state department of transportation projects."

This bill is one of several substantive transportation reform bills I am signing into law today. The goal of this particular bill is to streamline the environmental decision making process for transportation projects without sacrificing environmental protections. Section 9 contains additional reporting requirements for the Washington State Department of Transportation (WSDOT) on lean efforts and to complete a Baldridge assessment. I wholeheartedly support adequately measuring and reporting on performance metrics and lean management efforts. The transportation investment package, however, already includes a number of studies and reports WSDOT must complete and prioritize within available funding. The unfunded requirements in Section 9 of this bill unnecessarily hinder efforts to implement this and other reform bills.

For these reasons I have vetoed Section 9 of Second Engrossed Substitute Senate Bill No. 5996.

With the exception of Section 9, Second Engrossed Substitute Senate Bill No. 5996 is approved.

Respectfully submitted,

Jay Inslee
Governor

2ESSB 5997
C 18 L 15 E 3

Concerning transportation project delivery.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias, Litzow, Braun, Schoesler, Parlette, Dammeier, Warnick, Sheldon, O'Ban, Hewitt, Becker and Brown).

Senate Committee on Transportation
House Committee on Transportation

Background: Design-build construction is a contracting technique that allows the owner of a project to contract with a single entity for the design and construction of a project. Some construction work can often begin before final design is complete, providing opportunity for cost savings and expedited project delivery. The more common project contract, design-bid-build, requires design to be complete before the construction portion of the project is awarded.

Current law allows the Washington State Department of Transportation (WSDOT) to use design-build construction if construction activities are highly specialized, efficiency opportunities through the use of a single entity for design and construction are greater, or significant savings in project delivery time would be realized. A design-build project must be over $10 million, except that WSDOT may also use the design-build process on up to five pilot projects costing between $2 and $10 million.

Summary: WSDOT is strongly encouraged to use design-build for public works projects over $2 million.

The Joint Transportation Committee (JTC) must conduct a design-build contracting review study to examine WSDOT's implementation and use of design-build contracting. The JTC must convene an expert panel to assist in the study. The expert panel must be comprised the following stakeholders: a consultant and at least two nationally recognized experts in the field of design-build project delivery; a representative from the association of general contractors; a representative from the American Council of Engineering Companies of Washington; a representative of the Professional and Technical Employees local 17; and a representative from WSDOT. The panel must report to the Legislature and the Governor by December 1, 2016. An expiration date of June 30, 2017, is provided for the study and expert panel.

WSDOT must develop a construction program business plan that (1) incorporates the findings of the JTC design-build contracting review study; (2) outlines a sustainable level of state-employed engineering staff; (3) includes project delivery methods for design and construction; and (4) makes recommendations on the development of a strong-owner strategy.

Votes on Final Passage:

Senate	49	0
Third Special Session		
Senate	43	2
House	98	0

Effective: July 6, 2015

SSB 5999
C 128 L 15

Addressing the caseload forecast council.

By Senate Committee on Ways & Means (originally sponsored by Senator Darneille).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Essential Needs and Housing Support (ENHS) program was established in 2011 as a successor program to the Disability Lifeline program. The program provides housing vouchers and essential needs items, e.g. personal and home cleaning supplies, to persons who are determined by the Department of Social and Health Services to be unable to work for a period of at least 90 days due to physical or mental incapacity and who are homeless or at risk of homelessness. State funding is provided through the Department of Commerce to designated entities to serve a county. The designated entity must be a local government or community-based organization. The program's priority is to serve clients who are actually homeless.

RCW 43.185C.220 directs appropriations for the program to be based on a courtesy forecast by the Caseload Forecast Council (CFC) of the Medical Care Services (MCS) population that is actually homeless. MCS is a state-funded program that provides limited medical assistance for low-income adults who are unable to work for at least 90 days due to a physical or mental incapacity; however, the majority of this population has been included in health coverage through Medicaid expansion under the Affordable Care Act. The Legislature funds ENHS as a block grant. Because the ENHS program also serves persons who are at risk, but not actually homeless, the courtesy forecast does not represent the full population being served by the program.

The Early Childhood Education and Assistance Program (ECEAP) was created in 1985. Children eligible for ECEAP are those not eligible for kindergarten whose family income is at or below 110 percent of the federal poverty level – $24,250 for a family of four – and those children whose families are eligible for public assistance. All eligible children must be served in the 2018-19 school year. The Department of Early Learning and the Office of Financial Management report to the Governor and appropriate committees of the Legislature the funding necessary to achieve statewide implementation in the 2018-19 school year.

The CFC oversees the preparation of and approves official state caseloads. Caseloads project the number of persons expected to meet entitlement requirements and services for the following:

- public assistance programs;
- state correctional institutions;
- state institutions for juvenile offenders;
- the common school system;
- long-term care;
- medical assistance;
- foster care;
- adoption support; and
- the Washington College Bound Scholarship Program.

Summary: The CFC must forecast the number of children eligible for ECEAP. This requirement is removed from the Department of Early Learning and the Office of Financial Management. The requirement for the CFC to prepare a courtesy forecast for the ENHS program is removed.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: July 24, 2015

ESB 6013

C 32 L 15 E 3

Providing use tax relief for individuals who support charitable activities.

By Senators Roach, Angel and Dammeier.

Senate Committee on Ways & Means

Background: Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state.

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.

Amounts received from fundraising activities by nonprofit organizations and libraries are exempt from the B&O tax. Similarly, sales made by nonprofit organizations or libraries are exempt from the sales tax. However, those who purchase or receive as a prize an article of personal property from a nonprofit organization or library for a fundraising activity owe use tax to the state if the article of personal property is worth $10,000 or more. This exemption is set to expire July 1, 2017.

Summary: Those who purchase or receive as a prize an article of personal property from a nonprofit organization or library for a fundraising activity do not owe use tax for items that are valued at less than $12,000. This tax exemption expires July 1, 2020.

Votes on Final Passage:

Third Special Session

Senate	42	2
House	97	1

Effective: October 9, 2015

ESSB 6052

PARTIAL VETO

C 4 L 15 E 3

Making 2015 fiscal year and 2015-2017 fiscal biennium operating appropriations.

By Senate Committee on Ways & Means (originally sponsored by Senator Hill).

Senate Committee on Ways & Means

Background: The operating expenses of state government and its agencies and programs are funded on a biennial basis by an Omnibus Operating Budget adopted by the Legislature in odd-numbered years. State operating expenses are paid from the state general fund and from various dedicated funds and accounts.

Summary: Biennial appropriations for the 2015-17 fiscal biennium for the various agencies and programs of the state are enacted, including appropriations for general government agencies, human services programs, natural resources agencies, and education institutions. In addition, supplemental operating appropriations are made for the 2013-2015 fiscal biennium. For additional information, see the budget summary materials published by the Senate Ways & Means Committee, which are available on the Internet at http://www.leg.wa.gov/Senate/Committees/WM/.

Votes on Final Passage:

Third Special Session

Senate	38	10
House	90	8

Effective: June 30, 2015
July 1, 2015 (Section 971)

Partial Veto Summary: The Governor vetoed six sections or subsections of the operating budget bill dealing with the Data Processing Revolving Fund, a study on clinical psychiatrists, school district accounting, LEOFF retirement system, Life Science Discovery Fund, and Health Care Authority.

VETO MESSAGE ON ESSB 6052

June 30, 2015

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7, Engrossed Substitute Senate Bill No. 6052 entitled:

"AN ACT Relating to fiscal matters."

Section 130, page 27, line 29, Office of Financial Management, Data Processing Revolving Account

The Data Processing Revolving Account will be abolished, effective January 1, 2016, pursuant to passage of Engrossed Second Substitute Senate Bill No. 5315. Because this appropriation to the Office of Financial Management is no longer necessary, I have vetoed Section 130, page 27, line 29.

Section 204(2)(f), pages 58-59, Department of Social and Health Services, Study on Clinical Role of Psychiatrists

This proviso requires the Department of Social and Health Services, within existing resources, to contract with a consultant to conduct a workload study and to examine the clinical role of psychiatrists at the state psychiatric hospitals with respect to patients who are the subject of both forensic and civil commitment. In addition to findings and recommendations on those topics, the consultant must identify factors other than compensation that are negatively affecting job retention for psychiatrists and make recommendations for addressing those issues. Although I welcome additional expertise to address factors that may influence job retention, funding is not provided for the cost of an independent contractor. For this reason, I have vetoed Section 204(2)(f).

Section 501(1)(f), page 126, Superintendent of Public Instruction, School District Accounting Rules and Reporting

This proviso requires the Superintendent of Public Instruction to revise the accounting rules for school districts, as well as accounting and financial information technology systems, to separate expenditures of levy and local effort assistance revenues from all other expenditures. It also requires additional detailed reporting of school district compensation data. The Superintendent estimated $400,000 would be needed to implement this proviso, and no funding was provided. In addition, the new rules and systems must be in place by the 2016-17 school year, leaving no time for the Superintendent to test the system with pilot districts prior to implementation. For these reasons, I have vetoed Section 501(1)(f).

Section 950(3), page 257, Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Distribution in 2017

I support funding for the Local Law Enforcement Officers' and Firefighters' Retirement System Benefits Improvement Account, and included funding for this account in my budget proposal. Rather than provide a General Fund--State appropriation to this account, the Legislature transferred money from the LEOFF retirement system pension fund to the benefits improvement account. While I am approving this one-time transfer, I am concerned that repeated transfers would undermine the stability of the pension fund and increase the cost of existing pension benefits for plan members, local governments, and the state of Washington. Because I believe that future funding for the benefits improvement account should be made through General Fund appropriations, as envisioned by the legislation that created that account, I am vetoing language that indicates legislative intent for future transfers from the pension fund. For this reason, I have vetoed Section 950(3).

Section 963, page 268, Life Sciences Discovery Fund

The Life Sciences Discovery Fund Authority (LSDFA) provides valuable and innovative research that improves the health of all Washingtonians. I am disappointed the Legislature could not come to an agreement on providing some new funding for the LSDFA. I am concerned that Section 963 unduly restricts the awarding of grants with money currently in the Life Sciences Discovery Fund and abruptly ends the work of the LSDFA. This prohibition also restricts the LSDFA from using new revenue provided by marijuana research licenses pursuant to Senate Bill No. 5121. We must provide maximum flexibility for the LSDFA to carry out its mission and expend all remaining money in the Life Sciences Discovery Fund. For these reasons, I have vetoed Section 963.

Section 1213, page 381, lines 6-7, Health Care Authority, Savings Through Waiver Request

The budget assumes that the Health Care Authority (HCA) can achieve General Fund--State savings in state fiscal year 2015 by, among several savings steps, seeking a waiver from the federal Centers for Medicare and Medicaid Services. This waiver would provide federal flexibility in the area of innovative reimbursement methods. The Centers for Medicare and Medicaid Services has indicated that it will not approve this waiver request, and therefore, the savings cannot be achieved. For this reason, I have vetoed Section 1213, page 381, lines 6-7, and directed HCA to place any unused funds in reserve status.

For these reasons I have vetoed Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7 of Engrossed Substitute Senate Bill No. 6052.

With the exception of Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7, Engrossed Substitute Senate Bill No. 6052 is approved.

Respectfully submitted,

Jay Inslee
Governor

ESSB 6057

C 6 L 15 E 3

Concerning stimulating economic development through the use of tax preferences and streamlined tax administration.

By Senate Committee on Ways & Means (originally sponsored by Senator Hill).

Senate Committee on Ways & Means

Background: Part I - Reinstating Tax Preferences for High-technology research and Development: In 1994 the Legislature created a program of business and occupation (B&O) tax credits for qualified research and development (R&D) expenditures, and a sales and use tax deferral program for high-technology R&D and pilot-scale manufacturing facilities. The R&D tax preferences expired January 1, 2015.

Business and Occupation 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. Major B&O tax rates include 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.

Business and Occupation Tax Credit for High Technology Research and Development. Under the program that expired January 1, 2015, qualified research and development meant R&D performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environ-

mental technology. In 2014 the B&O tax credit available was 1.5 percent of the greater of (1) qualified R&D expenditures that exceed 0.92 percent of the person's taxable income; or (2) 80 percent of the compensation received for conducting qualified R&D under contract. Person was broadly defined to include, among other categories, individuals, companies, political subdivisions, nonprofits, and federal agencies. No person could take more than $2 million per year in credit. Qualified R&D expenditures that were claimable included those directly incurred as operating expenses, partner or owner compensation, benefits, supplies, and computer expenses. Excluded as claimable expenses were amounts paid to a person other than a public educational or R&D institution to conduct R&D, and capital costs and overhead, including expenses for land and structures. Any credit over claimed or claimed by an ineligible person must be repaid, with interest but not penalties.

Sales and Use Tax Deferral for Certain Construction-Related Expenses. Until January 1, 2015, application for deferral of sales and use taxes could be made before initiation of, construction of, or acquisition of, equipment or machinery for an investment project. The Department of Revenue (DOR) was required to issue a sales and use tax deferral certificate for taxes due on each eligible investment project:

- Investment project was defined as an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction or improvement of the project.
- Eligible investment project was defined as an investment project that either initiates a new operation or expands or diversifies a current operation by expanding, renovating, or equipping an existing facility. In the case of an investment project involving multiple qualified buildings, applications must be made for, and before the initiation of construction of, each qualified building.
- Qualified building was defined as construction of new structures and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for pilot-scale manufacturing or qualified R&D.
- Qualified research and development was defined as R&D performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.
- Qualified machinery and equipment was defined as fixtures, equipment, and support facilities integral and necessary to a pilot-scale manufacturing or qualified R&D development operation.

The lessor or owner of a qualified building may be eligible for the deferral, only if the lessor by written contract agrees to pass the economic benefit, in an amount no less than the tax deferred, to the lessee, and the lessee agrees in writing with DOR to complete the required annual survey.

Annual Survey. Taxpayers claiming tax preferences aimed at creating jobs or increasing industry competitiveness were required to file an annual survey with DOR. The annual survey included a report of the tax preference amounts claimed each calendar year and information related to employment positions and wages in Washington. In addition if the annual survey or other information caused DOR to find that an investment project, within seven years of being certified as operationally complete, was used for a purpose other than qualified R&D or pilot-scale manufacturing, a percentage of the deferred taxes were immediately due. The sales tax deferral became a waiver of the tax if the business maintained qualified activities for eight years once the facility was operationally complete.

Part II - Extending the Expiration date of Tax Preferences for Food Processing: Manufacturers of fresh fruit or vegetables, seafood products, and dairy products are eligible for exemptions from the B&O tax.

The B&O tax exemptions provide an exemption from the manufacturing B&O tax on the value of products sold by fresh fruit or vegetable, seafood product, or dairy product manufacturers; and, generally, an exemption from retailing and wholesaling B&O tax for those products manufactured and sold by the manufacturer to a customer who transports the product outside this state in the normal course of business.

These exemptions expire June 30, 2015. When they expire, the income is no longer exempt from B&O tax but will become subject to a reduced B&O tax rate of 0.138 percent for the manufacturing, retailing, and wholesaling activities. All businesses claiming the exemptions are required to electronically file an Annual Tax Incentive Survey by April 30 of the year following the year the exemption was claimed. The Annual Survey provides employment and wage information regarding firms claiming the exemptions and also provides the tax savings to individual firms from claiming the exemptions.

Part III - Providing a Sales and Use Tax Exemption for Eligible Server Equipment Installed in Certain Data Centers: Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital products, or services when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent. Local sales and use tax rates vary from 0.5 percent to 3 percent, depending on the location.

Sales and Use Tax Exemption for Eligible Server Equipment. In 2010 the Legislature enacted Chapter 1, 2010 Laws 1st sp. s (ESB 6789) which provided a sales and use tax exemption for server equipment and power infrastructure for computer data centers. The exemption was to expire on April 1, 2018. In order to qualify, a data center must be located in a rural county, have at least 20,000 square feet dedicated to housing servers, and have commenced construction between April 1, 2010, and before July 1, 2011. Additionally, within six years of construction, a qualifying business must have created 35 family wage employment positions or three family wage employment positions per 20,000 square feet of space. Construction of a data center includes the expansion, renovation, or other improvements made to existing facilities, including leased or rented space. A family wage employment position is a new full-time position at the qualifying data center requiring 40 hours of weekly work, or their equivalent, on a weekly basis and the wage must be greater than 150 percent of the county's per-capita income of the county where the qualified data center is located.

The exemption applied to the original server equipment installed after April 1, 2010, and replacement server equipment which replaces servers originally exempt from tax and installed prior to April 1, 2018.

In 2012 Legislation was enacted that extended the time for eligible data centers and qualifying tenants of data centers to qualify for the sales and use tax exemption on server equipment and power infrastructure to those that commenced construction between April 1, 2012, and July 1, 2015. The exemption time is extended for eligible replacement server equipment placed in new data centers and for qualifying tenants until April 1, 2020.

Part IV - Creating a Pilot Program that Provides Incentives for Investments in Washington State Job Creation and Economic Development: Economic development policies are designed to improve the economic wellbeing of a community through efforts that include job creation, job retention, infrastructure improvements, workforce training, tax base enhancements, and improvements to quality of life. State and local governments may utilize a variety of tools to attract economic investment in their communities. In Washington there are a variety of tax polices including preferential tax rates, credits, exemptions, deductions, and deferrals that are designed to enhance economic activity, create or retain jobs, and attract business investments. For example the High Unemployment County Sales & Use Tax Deferral/Waiver for Manufacturing Facilities, established in 2010, encourages job creation in areas with high unemployment by offering certain businesses a sales and use tax deferral on construction of new buildings or purchases of qualifying machinery and equipment. Businesses that maintain a qualified activity for seven years after completion of the project are no longer required to repay deferred sales and use taxes.

Part V - Continuing Tax Preferences for Aluminum Smelters: In 2004 the Legislature passed a package of tax preferences for the aluminum industry that were scheduled to expire on January 1, 2007. The tax preferences for the aluminum industry include the following:

- a reduced B&O rate from 0.484 percent to 0.2904 percent for manufacturers of aluminum;
- a B&O tax credit for the amount of property taxes paid on an aluminum smelter;
- a sales and use tax credit against the state portion of the tax for personal property, construction materials, and labor and services performed on buildings and property at an aluminum smelter; and
- an exemption from the brokered natural gas use tax on gas delivered through a pipeline.

In 2006 the Legislature extended the tax preferences to 2012, and again in 2010 the Legislature extended the tax preferences to 2017.

The Citizen Commission for Performance Measurement of Tax Preferences (Commission) was established by the Legislature in 2006. The Commission develops a schedule to review nearly all tax preferences at least once every ten years. The Commission also schedules tax preferences with expiration dates to be reviewed two years before the tax preference expires.

Tax preference reviews are conducted by the Joint Legislative Audit and Review Committee (JLARC) according to the schedule established by the Commission. The aluminum tax incentives were reviewed in 2009. JLARC recommended that the Legislature extend the expiration date for these tax preferences – which it did – because the public policy goal of preserving family wage jobs is being maintained, and because the high energy prices that brought about the tax preferences were higher and more volatile than when the tax preferences were originally enacted.

The Commission endorsed the recommendation to extend the expiration dates and further recommended that the Legislature consider establishing a final expiration date.

JLARC is scheduled to review the aluminum industry tax preferences in 2015.

Part VI - Concerning the Definition of Newspaper: In 2008 and again in 2012, the Legislature temporarily revised the definition of newspaper to include electronic versions of newspapers. The effect of this is that both the online version of a newspaper and the physical version of a newspaper are taxed at the B&O rate of 0.35 percent until July 1, 2015, and 0.2904 percent thereafter. The definition is set to expire July 1, 2015.

If the electronic version of a newspaper is not included in the definition of a newspaper, the B&O tax will apply to the electronic version based on the revenue-generating activity. For advertising revenues the rate of 1.5 percent would apply, and for subscription sales the rate of .471 percent would apply.

Part VII - Providing a Reduced Public Utility Tax for Log Transportation Businesses: B&O Tax. Wash-

ington's major business tax is the 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.

Public Utility Tax (PUT). Income from utility operations is taxed under the PUT and is in lieu of the B&O tax; other income of the utility firm, e.g. retail sales of tangible personal property, is subject to the B&O tax. Unlike the B&O tax which pyramids, the PUT applies only on sales to consumers. Five different rates apply, depending upon the specific utility activity. The current rates, including permanent surtaxes, are as follows:

- distribution of water, 5.029 percent;
- generation or distribution of electrical power, 3.873 percent;
- telegraph companies, distribution of natural gas, and collection of sewerage, 3.852 percent;
- urban transportation and watercraft vessels under 65 feet in length, 0.642 percent; and
- railroads, railroad car companies, motor transportation, and all other public service businesses, 1.926 percent.

In 2009 the Legislature passed ESSB 6170, which reduced the usual PUT rate on log hauling from 1.926 percent to 1.3696 percent of gross income. That reduced rate expired in June 2013.

Part VIII - Concerning Nonresident Vessel Permits and Taxation: Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the property, digital products, or services were acquired by the user, then use taxes apply to the value of most tangible personal property, digital products, and some services when used in this state.

Nonresident individuals purchasing a vessel in Washington or piloting a vessel into Washington waters may be eligible for a special use permit that exempts the purchase or use of the vessel from sales and use taxation. A use permit also satisfies vessel registration requirements administered by the state Department of Licensing (DOL). A use permit may be obtained by a nonresident individual purchasing or using a vessel in Washington if the vessel is at least 30 feet in length. A use permit is not renewable and costs $500 for vessels 30 to 50 feet and $800 for vessels greater than 50 feet in length. A use permit is valid for 12 consecutive months from the date of purchase. A nonresident business entity, e.g. corporation, limited liability company, partnership, etc., is not eligible to receive a use permit.

Generally, a nonresident individual or business entity bringing a vessel into Washington waters does not need to obtain a permit from DOL for up to 60 days if the vessel is currently registered in another state or the vessel has a current U.S. Coast Guard Documentation Paper. If a vessel owner is a nonresident individual and will be operating a vessel on Washington waters for more than 60 days, the owner may apply for a vessel permit on or before the sixtieth day of the visit to remain in the state for an additional 60 days. The person may renew the vessel permit once for an additional 60 days. When the renewed permit expires, the vessel owner must either register the boat in Washington or remove the boat from Washington waters. A nonresident business entity owning a vessel is not eligible to receive a vessel permit.

Part IX - Concerning Distribution and use of Aircraft Excise Taxes: Current law requires the collection of an annual aircraft excise tax. The amount of the tax varies by the type of aircraft and generally ranges from $20 for a home-built aircraft up to $125 for a turbojet multi-engine fixed wing plane. Of the taxes collected, 90 percent is deposited into the general fund and 10 percent is retained in the aeronautics account to cover administrative expenses. This distribution has been the same since 1987, prior to that 100 percent of the aircraft excise tax was deposited into the general fund.

The Aviation Division of the Washington State Department of Transportation (WSDOT) annually awards grants to public use airports in the state for pavement, safety, planning, and security. Awards are funded from the aeronautics account. Aeronautics account state funds are typically used to leverage additional federal funds beyond those already received by WSDOT.

A fuel tax administration bill (SHB 1883) passed in the 2013 legislative session, and which becomes effective July 1, 2015, erroneously eliminated the aeronautics account.

Part X - Providing a Business and Occupation Tax Credit for Businesses That Hire Veterans: Washington's major business tax is the B&O tax. The B&O tax is imposed on the gross receipts of all business activities conducted within the state, without any deduction for the costs of doing business. Revenues are deposited in the state general fund. There are several rate categories, and a business may be subject to more than one B&O tax rate, depending on the types of activities conducted.

The B&O tax code contains many exemptions and deductions for specific types of business activities and revenue. Tax credits, which provide a dollar-for-dollar offset against tax liability, are also authorized in certain circumstances. Some existing B&O tax credits were enacted for the specific purpose of encouraging employment growth. For example, a credit against the B&O tax is provided for firms that create employment positions in rural counties or community empowerment areas.

The public utility tax (PUT) applies to the gross income derived from the operation of public and privately owned utilities. The tax is in lieu of the B&O tax and applies to the general categories of transportation and the supply of energy and water.

The federal government recently had a program that provided a tax credit for hiring various groups, including qualified veterans, known as the Work Opportunity Tax Credit. It expired December 31, 2013.

Part XI - Defining Honey Bee Products and Services as an Agricultural Product: A B&O tax on the gross receipts of all in-state business activities, except utility activities, is imposed on every person who has a substantial nexus to the state for the act or privilege of doing business. The B&O tax does not apply to farmers (persons producing agricultural products for sale) selling agricultural products at wholesale or growing agricultural products owned by others, such as custom feed operations.

In 2008 and 2013 the Legislature enacted temporary tax exemptions related to apiarists and honey bee products. Honey bee products are defined as queen honey bees, packaged honey bees, honey, pollen, beeswax, propolis, or other substances obtained from honey bees. Honey bee products do not include manufactured substances or articles. The following is a list of tax exemptions set to expire on July 1, 2017:

- wholesale sales of honey bee products that do not otherwise qualify for the general agricultural product exemption (B&O);
- bee pollination services to a farmer using a bee colony owned or kept by the person providing the pollination services (B&O);
- sales of honey bees to eligible apiarists (retail);
- sales of feed to eligible apiarists to raise a bee colony to make honey bee products (retail);
- use of honey bees by eligible apiarists (use); and
- use of feed by eligible apiarists in raising a bee colony to make honey bee products (use).

Part XII - Providing Sales and Use Tax Exemptions to Encourage Coal-Fired Electric Generation Plants or biomass Energy Facilities to Convert to Natural Gas-Fired Plants: Emission Performance Standards (EPS) were adopted for electric generation plants to meet greenhouse gas emission standards adopted in Washington in 2008. In 2009 the Governor issued an executive order directing the Department of Ecology (Ecology) to work with the existing coal-fired plant within Washington to establish an agreed order to apply the EPS to the facility by no later than December 31, 2025. The agreed order must include a schedule of major decision making and resource investment milestones. In 2011 the Legislature established a schedule for applying the EPS to the Centralia coal-fired electric generation facility.

State and local sales and use taxes are levied on the sale of tangible personal property and certain services. Exemptions from sales and use taxes have been established to create jobs and encourage investments in Washington, including, for example, the exemptions for manufacturing machinery and equipment and investments in aerospace manufacturing facilities.

Part XIII - Providing Use Tax Relief for Individuals Who Support Charitable Activities: Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state.

Washington's major business tax is the 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.

Amounts received from fundraising activities by nonprofit organizations and libraries are exempt from the B&O tax. Similarly, sales made by nonprofit organizations or libraries are exempt from the sales tax. However, those who purchase or receive as a prize an article of personal property from a nonprofit organization or library for a fundraising activity owe use tax to the state if the article of personal property is worth $10,000 or more. This exemption is set to expire July 1, 2017.

Part XIV - Revising a Property Tax Exemption for Veterans with total Disability Ratings and Their Surviving Spouses or Domestic Partners: All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. Some senior citizens and persons retired due to disability are entitled to a property tax exemption for their principal residences. To qualify a person must be age 61 in the year of application; retired from employment because of a disability or 100 percent disabled due to military service; own the person's principal residence; and have a disposable income of less than $35,000 per year. Persons meeting this criteria are entitled to partial property tax exemptions and a property valuation freeze. A surviving spouse or domestic partner of a person receiving the exemption may retain the exemption if the survivor is at least age 57 and otherwise meets the eligibility requirements.

Disposable income is defined as adjusted gross income, in addition to the following: capital gains; pension and annuity receipts; military pay and benefits other than attendant-care and medical-aid payments; veterans' benefits, other than attendant-care and medical-aid payments, disability compensation, and dependency and indemnity compensation; federal Social Security Act and railroad retirement benefits; dividend receipts; and interest received on state and municipal bonds, less amounts deducted for loss and depreciation.

Combined disposable income is defined as the disposable income of the person claiming the exemption, plus the disposable income of the person's spouse or domestic

partner, and the disposable income of each cotenant occupying the residence, less amounts paid by the person claiming the exemption or the person's spouse or domestic partner during the assessment year for the following:

- prescription drugs;
- the treatment or care of either person in the home or a facility; and
- health care insurance premiums for Medicare.

Partial exemptions for senior citizens and persons retired due to disability are provided if the person's disposable annual income is as follows:

- $30,001 to $35,000 – the person is exempt from all excess property tax levies, but not regular levies;
- $25,001 to $30,000 – the person is exempt from all regular property tax levies on the greater of $50,000 or 35 percent of assessed valuation, $70,000 maximum, and all excess levies; and
- $25,000 or less – the person is exempt from all regular property tax levies on the greater of $60,000 or 60 percent of assessed valuation, and all excess levies.

Part XV - Concerning Property Tax Exemptions for Service-Connected Disabled Veterans and Senior Citizens: All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. Some senior citizens and persons retired due to disability are entitled to a property tax exemption for their principal residences. To qualify a person must be age 61 in the year of application; retired from employment because of a disability or 100 percent disabled due to military service; own the person's principal residence; and have a disposable income of less than $35,000 per year. Persons meeting this criteria are entitled to partial property tax exemptions and a property valuation freeze.

Disposable income is defined as adjusted gross income, plus: capital gains; pension and annuity receipts; military pay and benefits other than attendant-care and medical-aid payments; veterans' benefits, other than attendant-care and medical-aid payments, disability compensation, and dependency and indemnity compensation; federal Social Security Act and railroad retirement benefits; dividend receipts; and interest received on state and municipal bonds, less amounts deducted for loss and depreciation.

Combined disposable income is defined as the disposable income of the person claiming the exemption, plus the disposable income of the person's spouse or domestic partner, and the disposable income of each cotenant occupying the residence, less amounts paid by the person claiming the exemption or the person's spouse or domestic partner during the assessment year for the following:

- prescription drugs;
- the treatment or care of either person received in the home or a facility; and
- health care insurance premiums for Medicare.

Part XVI - Reducing the Frequency of Local Sales and Use Tax Changes: Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.0 percent, depending on the location.

Local Sales Tax Changes. In general, local sales and use tax changes can take effect no sooner than 75 days after the DOR receives notice of the change and only on the first day of January, April, July, or October.

A local sales and use tax that is a credit against the state tax can take effect no sooner than 30 days after DOR receives notice and only on the first day of a month.

Part XVII - Providing Reasonable Tools for the Effective Administration of the Public utility District Privilege Tax: Public utility district (PUD) privilege tax is an in-lieu-of property tax. It applies to electricity generating facilities for the privilege of operating in this state. The tax rate has several components including gross income derived from the sale of electricity, the number of kilowatt hours of self-generated energy which is either distributed to consumers or resold to other utilities, and the wholesale value of energy produced in thermal generating facilities.

The PUDs report the facts pertinent to the calculation of the privilege tax to the DOR once per year. The DOR calculates the tax owed and collects the taxes paid by the PUDs.

The following distribution requirements apply to the PUD privilege tax collected on electricity generating or distribution facilities – other than the nuclear power plant on the Hanford reservation. The State Treasurer deposits 4 percent of the proceeds from the basic tax rate to the state general fund. The remaining 96 percent is distributed as follows: 37.6 percent to the state general fund for public schools; and 62.4 percent to the counties to be redistributed.

A county must distribute funds to each taxing district in the county, except school districts, in a manner the county deems most equitable. However, a city within the county must receive an amount at least equal to 0.75 percent of the gross revenues obtained from the sale of electricity within the city.

Part XVIII - Concerning a Hazardous Substance Tax Exemption for Certain Hazardous Substances that Are Used as Agricultural Crop Protection Products and Warehoused but not Otherwise Used, Manufactured, Packaged, or Sold in this State: The tax imposed on hazardous substances was initiated in the late 1980s, first by the Legislature and then by Initiative 97.

The tax base of the hazardous substance tax created by the Model Toxics Control Act (MCTA) is the wholesale value of substances defined as hazardous. It is a privilege tax imposed on the first possession in Washington State of petroleum products under the federal Comprehensive Environmental Response, Compensation, and Liability Act; pesticides registered under the Federal Insecticide, Fungicide, and Rodenticide Act; and substances designated by rule by the Washington State Department of Ecology to present a threat to human health or the environment.

The tax rate is 0.7 percent. The proceeds, up to $140 million since July 1, 2013, are deposited into two accounts: 56 percent to the state toxics control account; and 44 percent to the local toxics control account. Any amount over $140 million is deposited into the environmental legacy stewardship account. The purpose of MCTA is to raise sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state's land and waters. The 2014 proceeds of $195,010,885 are $3,452,782 less than those of 2013.

There are exemptions from the hazardous substance tax, one of which includes persons and activities that the state is prohibited from taxing under the United States Constitution. This prohibition applies to materials in interstate commerce under article 1, section 8, clause 3, of the Constitution. This clause empowers Congress "to regulate commerce with foreign nations, and among several states, and with the indian tribes."

Agricultural crop protection products that meet the definition of pesticides under MCTA are sometimes manufactured at an out-of-state location and then are shipped to Washington warehouses. Sometimes the product is shipped from the Washington warehouse to a Washington retailer for sale to the Washington farmer or certified pesticide applicator. These products are subject to the hazardous substance tax because they are not items in interstate commerce.

A question has arisen when the product is shipped out of Washington from the warehouse. The DOR rules allow the exemption if the product in the warehouse is already owned by the out-of-state recipient when the product is received at the warehouse. Under any other shipping scenario, DOR levies the tax on the product even though it is ultimately sold out of state.

Part XIX - Concerning the Taxation of Certain Rented Property Owned by Nonprofit Fair Associations: Property Tax. All real and personal property in this state is subject to the property tax each year based on its value, unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located. The county treasurer mails a notice of tax due to taxpayers and collects the tax.

Property Tax Exemption For Nonprofit Fair Associations. Generally, the real and personal property of a nonprofit fair association that sponsors or conducts a fair or fairs eligible to receive support from the fair fund and allocated by the director of the Department of Agriculture is exempt from property taxation. The property must be used exclusively for fair purposes.

Property Tax Exception. Property that would not otherwise qualify may be exempt from taxation if the nonprofit fair association had purchased or acquired the majority of such property between 1995 and 1998. This exception cannot be claimed after 2018.

Leasehold Interest. Leasehold interest means an interest in publicly owned real or personal property which exists by virtue of any lease, permit, license, or any other agreement, written or verbal, between the public owner of the property and a person who would not be exempt from property taxes if that person owned the property in fee, granting possession and use, to a degree less than fee-simple ownership.

Leasehold Excise Tax. A leasehold excise tax is levied on the act or privilege of occupying or using publicly owned real or personal property or real or personal property of a community center through a leasehold interest on and after January 1, 1976, at a rate of 12 percent of taxable rent. A tax credit is available against the county tax for the full amount of any city tax imposed on the same taxable event.

Part XX - Improving the Administration of Unclaimed Property: The Uniform Unclaimed Property Act (Act) governs the disposition of property that is unclaimed by its owner. A business that holds unclaimed property (holder) must report and transfer the property to the DOR after a holding period set by statute. The holding period varies by the type of property, but for most unclaimed property, such as abandoned bank accounts, stocks, and bonds, the holding period is three years. After the holding period has passed, the holder in possession of the property transfers the property to DOR. A holder who willfully fails to file a report, or deliver property, as required under the Act is subject to a $100 per-day penalty plus an additional 100 percent penalty based on the value of the property that should have been reported.

DOR's duty is to find the rightful owner of the property, if possible. Most property reported is intangible property and holders remit the cash value to DOR. With some exceptions, DOR will sell tangible property that is still unclaimed within five years after it is received. State law requires DOR to hold stocks, bonds, and other securities for a period of time – usually three years – before being sold. When the unclaimed property is sold, the sale proceeds are deposited in the state general fund.

The owner of unclaimed property may come forward at any time to claim the property. If the property has already been sold by DOR, the owner is generally entitled to the proceeds of the sale, plus any interest accruing as part of the security, less administrative costs. However, if abandoned stock or other securities are sold before the expiration of the three-year holding period by DOR, the owner is entitled to the greater of the market value of the

security at the time the claim is made or the proceeds of the sale, less any administrative costs.

Summary: Part I - Extending the Expiration Date of Tax Preferences for Food Processing: The B&O tax exemptions for food processors are extended from July 1, 2015, to July 1, 2025.

A tax preference performance statement is included. The stated public policy objectives of the act are to create and retain jobs in the food processing industry and to provide tax relief.

Part II - Providing a Sales and Use Tax Exemption for Eligible Server Equipment Installed in Certain Data Centers: A sales and use tax exemption is provided for eligible server equipment and eligible power infrastructure located in data centers in which construction commences between July 1, 2015, and July 1, 2025. Eligible server equipment affected by this act is equipment installed in a data center built after July 1, 2015, and includes original server equipment and replacement server equipment. The exemption for replacement server equipment continues for twelve years. Substations do not qualify as eligible power infrastructure.

Data centers built between 2012 and July 1, 2025, can receive a sales tax exemption for replacement servers for twelve years instead of eight.

Qualifying data centers are limited to eight from July 1, 2015, to July 1, 2019, and no more than 12 until July 1, 2025, on a first-come, first-served basis.

Buildings that are constructed on or after July 1, 2015, must be a fully enclosed structure with concrete, masonry, or weather-resistant exterior walls and must meet state building code.

Part III - Creating a Pilot Program that Provides Incentives for Investments in Washington State Job Creation and Economic Development: The Invest in Washington pilot program is established to evaluate the effectiveness of providing a tax incentive for businesses that invest in manufacturing facilities and equipment and reinvest those tax savings in employee training programs. The pilot program consists of up to five qualified industrial facilities, of which at least two must be located in eastern Washington. An eligible investment project includes up to $10 million in sales and use tax on construction costs or purchases of qualified machinery and equipment. Amounts paid for the construction of qualified buildings, machinery, and equipment are eligible for a sales and use tax deferral. To qualify for the deferral, the person must apply to the DOR before beginning construction of the investment or acquisition of the equipment or machinery. The DOR must award deferrals to qualifying applicants on a first-in-time basis. The recipient of the deferral must begin repaying the deferred taxes five years after the date that the project is complete. There is no interest charged on deferred taxes, and the taxes may be repaid over a ten-year period in equal annual payments.

Deferred taxes, when repaid, are deposited in the newly created Invest in Washington Account. The Invest in Washington Account, administered by the State Board for Community and Technical Colleges, must be used to support customized job training programs, job skills programs, job readiness training, workforce professional development, and to assist employers with state-approved apprenticeship programs for manufacturing and production occupations. The DOR must notify the State Treasurer by June 1, 2016, and annually thereafter, the amount of repaid deferred taxes contributed to the Invest in Washington Account.

The JLARC must measure the effectiveness of the credit for creating or retaining jobs and providing funding for job training.

Part IV - Continuing Tax Preferences for Aluminum Smelters: The aluminum industry tax preferences that are set to expire in 2017 are extended for ten years to 2027.

A tax preference statement is included that directs JLARC to measure the effectiveness of the exemption in preserving employment positions within the industry by evaluating the change in the number of aluminum industry employment positions in Washington State.

Part V - Concerning the Definition of Newspaper: Clarifies that the electronic version of a newspaper is a supplement to the printed newspaper, which creates a blended rate for the reporting of B&O taxes for newspapers. Clarifies the tax preference and extends it to July 1, 2024.

Part VI - Providing a Reduced Public Utility Tax for Log Transportation Businesses: The PUT rate is permanently reduced from 1.926 percent to 1.3696 percent on the hauling of logs over public highways.

The hauling of logs over private roads is subject to the B&O tax under the service and other activities classification. The taxation of the transportation of logs that occur exclusively over private roads is not affected.

Part VII - Concerning Nonresident Vessel Permits and Taxation: The availability of use permits for purposes of vessel sales and use taxation is extended to nonresident business entities, e.g. corporations, limited liability companies, partnerships, etc. Allows nonresident business entities to use vessels in Washington for a period of time without paying sale or use taxes. Sets a fee structure for nonresident business entities with vessels under 164 feet to obtain a vessel permit to use the vessel in Washington.

Part VIII - Concerning Distribution and Use of Aircraft Excise Taxes: All of the annual aircraft excise tax is deposited into the aeronautics account to be used for state grants to airports and to cover administrative expenses associated with grant execution and collection of the aircraft excise tax.

The aeronautics account is restored.

Part IX - Providing a Business and Occupation Tax Credit for Businesses That Hire Veterans: PUT or B&O tax credits are provided to businesses that provide positions to qualified employees. A qualified employee is an unemployed veteran who is employed in a permanent full-time position for at least two consecutive full calendar quarters. Full time is a normal work week of at least 35 hours per week. A veteran is a person who has received a general discharge under honorable conditions, including a discharge for medical reasons with an honorable record, or is currently serving honorably; and who has served as a member in any branch of the armed forces, including the National Guard and armed forces reserves. Unemployed means that the veteran was unemployed for at least 30 days immediately preceding the date on which the veteran was hired by the person claiming the credit. The credit is equal to 20 percent of wages and benefits paid up to a maximum of $1,500 for each qualified employment position filled by an unemployed veteran. The credits are available on a first-in-time basis not to exceed $500,000 in any fiscal year. Credits disallowed in one year can be carried over to the next fiscal year. Priority is given to credits carried over from a previous fiscal year.

Credits may be earned for tax reporting periods through June 30, 2021, and no credits may be claimed after June 30, 2022.

Tax preference credits are intended to induce employers to hire and create jobs for unemployed veterans. The JLARC must review the new credits by December 31, 2021. If, in its review, it finds that the number of unemployed veterans has decreased by 30 percent, then the Legislature intends to extend the expiration date of the credits.

Part X - Defining Honey Bee Products and Services as an Agricultural Product: The definitions of agricultural product and farmer are amended to include apiarists and honey bee products. Therefore, the tax exemptions provided to agricultural products and farmers are extended to apiarists and honey bee products and are intended to be permanent. By modifying these definitions, the temporary, industry-specific, honey bee tax exemptions become redundant. This act repeals those redundant tax exemptions. The coinciding evaluation by the JLARC is also repealed.

Part XI - Concerning the Taxation of Wax and Ceramic Materials Used to Make Molds: The expiration date for the sales and use tax exemption for wax, ceramic materials, and labor related to the creation of investment castings used in industrial applications is eliminated. The tax preference performance statement categorizes the tax preference as one intended to reduce a structural inefficiency and exempts this tax preference from the mandatory expiration date or a joint legislative audit and review committee analysis.

Part XII - Concerning a Hazardous Substance Tax Exemption for Certain Hazardous Substances that Are Used as Agricultural Crop Protection Products and Warehoused but not Otherwise Used, Manufactured, Packaged, or Sold in this State: An exemption from the hazardous substance tax imposed under MCTA is created. It applies to the possession of an agricultural crop protection product when that possession is solely for use by a farmer or certified pesticide applicator and the product is warehoused in Washington or transported to or from Washington. To qualify for this exemption, the person possessing the product may not use, repackage, manufacture, or sell the product in Washington.

Part XIII - Concerning the Taxation of Certain Rented Property Owned by Nonprofit Fair Associations: Property Tax Exception. The exception for property purchased or acquired by the nonprofit fair association from a county or a city between 1995 and 1998 does not expire after 2018. If any portion of the property is knowingly rented for more than 50 days, the exemption still applies but the rental income is subject to leasehold excise tax.

Leasehold Interest. Leasehold interest also includes portions of property owned by a nonprofit fair association exempt from property tax but rented for periods of 50 days or more.

Leasehold Excise Tax. The leasehold excise tax applies to the rental income of nonprofit fair association-owned land rented for 50 or more days. Taxable rental income or rent means contract rent. The rents or donations received for the use of the rented property must be reasonable and may not exceed the maintenance and operation expenses of the property.

Part XIV - Improving the Administration of Unclaimed Property: The penalty provisions of the Act are restructured. The current 100 percent penalty for willful failure to file a report or provide notice to apparent property owners is replaced with the following penalties:

- 10 percent for failure to file a report or pay or deliver property under a report; and
- 10 percent assessment penalty with an additional 5 percent penalty if the assessment is not paid by the due date.

Provides immunity for interest and late penalties for holders that voluntarily report and pay or deliver unclaimed property to the Department of Revenue before November 1, 2016. the holder must file a completed waiver requires with the Department before November 1, 2016.

Gift certificates presumed abandoned and compliant with the gift certificate laws do not need to be reported as unclaimed property.

DOR may publish notice to apparent owners of unclaimed property on the online version of a printed newspaper of general circulation.

Enforcement action on assessments is subject to a three-year statute of limitation.

Holders must file reports of lost property and remit funds to DOR electronically beginning July 1, 2016. DOR

may waive this requirement for good cause, which is defined as a circumstance or condition that prevents the holder from electronically filing reports or remitting payments, or a DOR determination that relief from the electronic filing requirement supports the efficient or effective administration of the Act.

A refund process is established allowing holders to reacquire erroneously reported and delivered property, subject to a six-year limitation period. A review and appeal process is established, including appeal rights to Thurston County Superior Court, for assessments or denials for a refund or the return of property. DOR may waive or cancel delinquent penalties and interest under certain circumstances.

All unclaimed amounts and property identified in any assessment issued by DOR must be paid or delivered within 30 days of issuance. If a petition for review of an assessment is filed and received in writing by DOR before the due date of the assessment, only the uncontested amounts and property must be paid or delivered to the department within 30 days of issuance.

DOR's authority to enter into settlement agreements with holders is clarified.

Information obtained during examinations is confidential, except as necessary for the administration of the Act.

Votes on Final Passage:

Third Special Session

Senate	38	10
House	77	21

Effective: July 1, 2015
June 30, 2015 (Part XII)
August 1, 2015 (Part VII)
September 1, 2015 (Parts IV, VI, VIII, and XIX)
October 1, 2016 (Part X)
January 1, 2016 (Section 1105)
January 1, 2019 (Part XX except section 2004)
January 1, 2022 (Section 2004)
Contingent (Section 2108)

2ESSB 6080

C 41 L 15 E 3

Financing public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Keiser, Honeyford, Conway and Pedersen).

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: The state Legislature enacted class-size reduction goals to reach one teacher to 17 students in kindergarten through third grade (K–3) by the 2017-18 school year. A potential barrier to reaching the intent of those class-size reduction objectives is a shortage of classrooms.

The school construction assistance program (SCAP), administered by the Office of Superintendent of Public Instruction (OSPI), provides school districts with financial assistance to expand and modernize school facilities. The amount of financial assistance is based on a formula that considers the amount of square feet needed for the number of students in elementary schools, middle schools, and high schools; multiplied by an assumed cost per square foot for construction; multiplied by a state fund matching rate. The SCAP match rate depends on the relative value of assessed property in the district per student. SCAP only funds permanent school buildings, not portables.

The state Constitution authorizes school districts to issue bonds for the purpose of constructing schools. Schools are owned, designed, constructed, and maintained by local school districts. Authorization of general obligation bonds require a 60 percent majority vote.

Summary: K-3 Class Size Reduction Construction Grant Pilot Program. To help school districts expand the number of classrooms in support of the K–3 class-size reduction objective, the K-3 class size reduction construction grant pilot program is created. The pilot program will be administered by OSPI.

The K–3 class-size reduction grants are determined by a four-step process:

- A verified count of necessary added classrooms in a district must be completed by the Washington State University extension energy office.
- If the number of needed classrooms is 12 or more, it is assumed that the added classrooms are provided by constructing a new school. If fewer than 12 classrooms are needed, it is assumed that the additional classrooms are provided with modular or portable classroom additions.
- The state grant amount must be calculated. If a new school is required, the cost is calculated at $615,083 per added classroom. If modular or portable classroom additions are required, the cost is estimated at $210,000 per classroom. These amounts are in 2014 dollars and are inflated based on inflation rates assumed in the SCAP budget. The state match rate is the SCAP match rate plus 20 percent of the district's rate of free and reduced school lunch students.
- The school district must be ready to proceed, and the Office of Financial Management (OFM) must confirm the grant calculations prepared by OSPI before K–3 class-size reduction grants can be awarded.

Prioritization criteria is provided if applications for additional classrooms exceed the funding available for the pilot program. OSPI must annually report to OFM and the appropriate legislative committees information about the

grants, grantees, project statuses, and class size reductions due to the new classrooms. The pilot program expires July 1, 2017.

Development of K-3 Class Size Reduction Construction Grant Program. OSPI, in consultation with stakeholders, OFM, and the Legislature, will recommend an improved funding formula for calculating future K-3 class size reduction grants by December 1, 2015, a process for creating a single prioritized list for future K-3 class size reduction grants, and statutory and rule changes to ensure appropriate coordination between the K-3 class size reduction grants and the SCAP. These recommendations will be provided to OFM and the appropriate legislative committees.

Votes on Final Passage:

Senate	42	7
Third Special Session		
Senate	44	1
House	98	0

Effective: July 14, 2015

2ESB 6089

C 33 L 15 E 3

Concerning the health benefit exchange.

By Senator Hill.

Senate Committee on Ways & Means
House Committee on Health Care & Wellness

Background: The Health Benefit Exchange (Exchange) is established in statute as a public-private partnership to serve as an insurance marketplace for individuals, families, and small businesses. The Exchange, through the Washington Healthplanfinder, provides access to multiple insurance plans and federal premium tax credits for individuals with incomes between 138 and 400 percent of the federal poverty level.

RCW 43.71.030 requires the Exchange be self-sustaining after December 31, 2014. Self-sustainability includes federal grants, federal premium tax subsidies and credits, charges to health carriers, premiums paid by enrollees, and premium taxes paid on qualified health plans.

Other than federal grants, the Legislature determines the expenditure level allowed by the Exchange. The Exchange is funded with premium taxes on qualified health plans sold through the Exchange and federal Medicaid funds. If the total funds generated through premium tax and other funds deposited in the dedicated account, along with other funds authorized by the Legislature, such as Medicaid, do not provide the level of funding authorized by the Legislature to fund the operations of the Exchange, the Exchange is allowed to collect assessments from qualified health plan carriers to make up the difference between the amount authorized by the Legislature and the amount available through premium tax and other available funds. The Legislature currently appropriates premium taxes and Medicaid funding, but not federal grants.

The original duties of the Exchange allowed for aggregation of premiums collected from individuals purchasing qualified health plans. These premiums were collected at the Exchange and forwarded to carriers. This process began January 1, 2014. Throughout the first year of operations, the Exchange encountered a number of system difficulties including transmission of payment information to health plans that resulted in coverage and claims problems for individuals and carriers.

In December 2014, after review of several options, the Exchange board voted to cease premium aggregation and remove premium collection and invoicing from the individual Exchange. The project planning and system redesign have begun for the 2016 open enrollment period.

Summary: Additional reporting responsibilities are created for the Health Benefit Exchange, including a five-year spending plan that identifies potential reductions in Exchange spending; metrics that capture the current spending levels and five-year benchmarks for spending reductions; detail capturing the annual cost of operating per enrollee; and a strategic plan for the development, maintenance, and improvement of Exchange operations that include comprehensive five-year and ten-year plans with defined outcomes and goals, as well as detailed salary and expense reports.

The five-year spending plans must identify specific reductions in the following areas: call center, information technology, and staffing, and must be submitted by January 1, 2016, to the Legislature, the Governor's Office, and the Board, with annual updates. The metrics must be developed by January 1, 2016, and must be posted on the web site, and quarterly updates must be provided to the appropriate committee of the Legislature and the Board. Additional budget detail with the annual cost of operating, per enrollee, must be tracked and reported to the Legislature and the Board on an annual basis.

The strategic plan for the development, maintenance, and improvement of Exchange operations must be developed and must include comprehensive five-year and ten-year plans with defined outcomes and goals; plans for achieving the outcomes; strategy for achieving enrollment and reenrollment targets; stakeholder and external communication plans; the identification of funding sources and a plan for allocation; a detailed report on salaries of all current employees; salary, overtime, and compensation policies; expense reports with beginning and ending fund balance by fund source; any contracts or contract amendments; and a description of staff required for operation of the program broken out by full-time positions, contracted employees and temporary staff. The strategic plan must be submitted by September 30, 2015, and annually thereafter, and the expense reports must be submitted quarterly.

The Exchange must verify qualifying documentation for enrollees seeking special enrollment due to a qualifying event as established by the Insurance Commissioner.

Notification requirements are modified related to enrollees that enter a grace period, as defined in federal law for Exchange enrollees who receive a premium tax credit and miss premium payments. The Exchange must check eligibility for enrollees in the grace period to determine if the enrollee may be eligible for Medicaid, and must conduct outreach with Medicaid information. Health care providers may encourage the enrollee in a grace period to pay delinquent premiums and provide information on the impact of nonpayment of premiums on access to health care services. Issuers of qualified health plans must include a statement in a delinquency notice to the enrollee explaining the impact of nonpayment of premiums, and include a statement in the termination notice when the grace period is exhausted about other coverage options such as Medicaid, and how to report changes in income or circumstances and any deadlines. Upon transfer of premium collection to the qualified health plans, each qualified health plan must provide detailed reports on enrollees in the grace period data to enable the Exchange to complete reports to the Legislature.

Votes on Final Passage:

Senate	26	22

Third Special Session

Senate	41	3
House	96	2

Effective: October 9, 2015

ESB 6092
C 6 L 15 E 2

Adding certain commissioned court marshals of county sheriff's offices to the definition of uniformed personnel for the purposes of public employees' collective bargaining.

By Senator Roach.

Senate Committee on Ways & Means
House Committee on Labor

Background: Employees of cities, counties, and other political subdivisions bargain their wages and working conditions under the Public Employee's Collective Bargaining Act (PECBA). For certain uniformed personnel, PECBA provides for binding interest arbitration if negotiations for a contract reach impasse and cannot be resolved through mediation. Under the interest arbitration process, the director of the Public Employment Relations Commission (PERC), in consultation with the mediator, certifies a list of unresolved mandatory subjects of bargaining for an impartial third-party arbitrator to consider and resolve. Uniformed personnel currently entitled to interest arbitration as a process for dispute resolution include police officers and state troopers, certain correctional employees, firefighters, security forces at a nuclear power plant, and publicly employed advanced life support technicians.

Superior and district courts are authorized by statute to collect filing fees and other fees for court services. Depending on the type of filing and court, revenue from court fees is shared with the state. In every district court, there is a small claims department to hear cases to recovery money only if the amount claimed does not exceed $5,000. The statutory filing fee for a small claims action is $14 and county legislative authorities are allowed to impose a surcharge up to $15 for the purpose of funding dispute resolution centers. Between July 1, 2009, and July 1, 2013, the state imposed a $10 surcharge on each small claims action, of which 25 percent was retained by the county and 75 percent was remitted to the State Treasurer for deposit into the judicial stabilization trust account.

Summary: Court marshals of any county are added to the list of uniformed personnel entitled to use interest arbitration under PECBA, provided the marshals are:

- employed by, trained for, and commissioned by the county sheriff; and
- charged with the responsibility of enforcing laws, protecting and maintaining security in all county-owned or contracted property, and performing any other duties assigned to them by the county sheriff or mandated by judicial order.

Votes on Final Passage:

Senate	38	10

First Special Session

Senate	34	10

Second Special Session

Senate	35	9
House	62	33

Effective: September 26, 2015

ESSB 6096
C 34 L 15 E 3

Concerning cancer research.

By Senate Committee on Ways & Means (originally sponsored by Senators Becker, Litzow, Parlette, Bailey, Hill, Fain, Dammeier, Brown, Rivers, Roach and McAuliffe).

Senate Committee on Ways & Means

Background: Life Sciences Discovery Fund. In 2005 the Washington Legislature created the Life Sciences Discovery Fund Authority with the purpose of promoting life sciences research to foster a preventive and predictive vision of the next generation of health-related innovations, to enhance the competitive position of Washington in this sector of the economy, and to improve the quality and delivery of health care for the people of Washington. The

Authority is governed by an 11-member board, with seven members appointed by the Governor and four members appointed by the Legislature. Using funds from a 1998 settlement with tobacco companies and various states, the Authority funded a broad spectrum of life sciences research. Tobacco settlement funds for research grants were expected to be available through 2017.

Tobacco Use Surcharges. In the 2013-15 biennial operating budget, the Legislature directed the Public Employment Benefits Board (PEBB) to implement a $25 per month tobacco use surcharge for state employee members who use tobacco products, which includes cigars, cigarettes, chewing tobacco, snuff, and other tobacco products. Tobacco surcharges are used to discourage use of tobacco products and cover additional health care costs associated with tobacco use. Under the PEBB surcharge program, users of tobacco products have ceased using tobacco products for two months or have enrolled in the members' medical plans' tobacco cessation program.

Summary: Cancer Research Endowment Authority. The cancer research endowment authority (Authority) is created. The Authority has general powers. The Authority must have a 13-member board of trustees appointed by the Governor. The trustees serve terms of four years and may only be appointed for up to two consecutive terms. Members are representatives of research universities, cancer research institutions, patient advocacy organizations, businesses engaged in commercialization of life sciences or cancer research, health care delivery systems, the Legislature, fund donors, and the public.

The Authority must develop and annually update a plan for the allocation of projected funds. The Authority must issue an annual report to the public including the grants that have been awarded, associated research and accomplishments, cancer prevention efforts, and the future program direction. The Authority must include an endowment plan for the ongoing support of the Authority in its initial report. The Authority and Commerce must retain the services of an independent auditor to conduct a performance audit of the program and the program administrator at least once every three years.

A program administrator will provide services to the Authority. Duties of the program administrator include soliciting grants, gifts, and donations; managing funds; distributing grants; and implementing other activities directed by the Authority.

Cancer Research Program. The Authority will oversee a cancer research endowment program. The purpose of the program is to make grants to public and private entities, including commercial entities, to fund or reimburse the entities for cancer research to be conducted in the state. The Authority must establish one or more scientific review and advisory committees for the purposes of evaluating grant proposals for cancer research and making recommendations for funding.

CARE Fund. The program administrator must also establish the CARE fund outside the state treasury for the deposit of grants and contributions received from public and private sources. Assets in the CARE fund are not considered state revenue. Funds must be used to fund grants for the cancer research program. The program administrator must take such action as necessary to enable the CARE fund to accept charitable contributions.

Cancer Research Endowment Fund Match Transfer Account. The cancer research endowment fund match transfer account is created in the custody of the State Treasurer. Funds in the account are used to provide matching funds for the CARE fund and administrative costs. The Director of Commerce may make expenditures from the account for deposit into the CARE fund upon proof of nonstate or private contributions to the CARE fund. Expenditures may not exceed the total amount of nonstate or private contributions.

Tobacco Tax Enforcement. Beginning July 1, 2016, the cancer research endowment fund match transfer account may receive up to $10 million each fiscal year from tax collections and penalties generated from enforcement of state taxes on cigarettes and other tobacco products. The program administrator may provide technical assistance, information, and training to private employers and other potential donors to establish programs that facilitate charitable contributions to the CARE fund, including tobacco use surcharge programs.

Votes on Final Passage:

Third Special Session

Senate	45	1
House	98	0

Effective: October 9, 2015

SSB 6134

C 34 L 15 E 3

Exempting pretrial electronic alcohol monitoring programs from statutory limitations on pretrial supervision costs.

By Senate Committee on Law & Justice (originally sponsored by Senator Padden).

Senate Committee on Law & Justice

Background: Costs in criminal cases are expenses specially incurred by the state in prosecuting the defendant or in administering the deferred prosecution program or pretrial supervision. They cannot include expenses inherent in providing a constitutionally guaranteed jury trial or expenditures in connection with the maintenance and operation of government agencies that must be made by the public irrespective of specific violations of law.

The court may require a defendant to pay costs. Costs may be imposed only upon a convicted defendant, except for costs imposed upon a defendant's entry into a deferred

prosecution program, costs imposed upon a defendant for pretrial supervision, or costs imposed upon a defendant for preparing and serving a warrant for failure to appear. Expenses incurred for serving of warrants for failure to appear and jury fees may be included in costs.

Costs for preparing and serving a warrant for failure to appear may not exceed $100. Costs for administering a deferred prosecution may not exceed $250. Costs for administering a pretrial supervision may not exceed $150.

Costs of incarceration imposed on a defendant convicted of a misdemeanor or a gross misdemeanor may not exceed the actual cost of incarceration. In no case may the court require the offender to pay more than $100 per day for the cost of incarceration. Payment of other court-ordered financial obligations, including all legal financial obligations and costs of supervision take precedence over the payment of the cost of incarceration ordered by the court.

The court cannot order a defendant to pay costs unless the defendant is or will be able to pay them. In determining the amount and method of payment of costs, the court must take account of the financial resources of the defendant and the nature of the burden that payment of costs will impose. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may remit all or part of the amount due in costs, or modify the method of payment.

In *State v. Hardtke*, the defendant was required to wear an alcohol monitoring bracelet while waiting for trial. He wore the bracelet as required, but objected to paying for the cost. Upon conviction, the trial court imposed the cost of $3,972 for pretrial alcohol monitoring. The Court of Appeals affirmed, holding that Superior Court Criminal Rule 3.2 gave the trial court authority to require that Hardtke pay the cost because the court rule authorized the trial court to order pretrial electronic monitoring.

The Washington State Supreme Court disagreed. The court found that sentencing issues authorizing costs are substantive rather than procedural, so they are controlled by statute rather than court rule. While pretrial supervision is not statutorily defined, the definition of pretrial release program includes supervision which specifically includes work release, day monitoring, or electronic monitoring. By statute, costs assessed for administering pretrial supervision may not exceed $150. The court held that the trial court exceeded its statutory authority when it imposed the $3,972 cost for electronic monitoring.

Summary: The $150 limitation on costs for pretrial supervision does not apply to those for pretrial electronic alcohol monitoring, drug monitoring, or the 24/7 sobriety program. In cases involving driving under the influence or being in physical control of a motor vehicle while under the influence, if electronic monitoring or alcohol abstinence monitoring is ordered, the court must specify (1) who will provide the monitoring services, (2) the terms under which the monitoring is performed, and (3) upon conviction, the court may require as a condition of the sentence that the defendant reimburse the providing agency for the costs of the electronic monitoring or abstinence monitoring.

Votes on Final Passage:

Second Special Session

Senate	41	3

Third Special Session

Senate	42	2
House	92	6

Effective: October 9, 2015

ESSB 6138
C 5 L 15 E 3

Increasing state revenue through improved compliance methods and eliminating tax preferences for royalties and certain manufacturing equipment.

By Senate Committee on Ways & Means (originally sponsored by Senator Hill).

Senate Committee on Ways & Means

Background: PART 1 - Preferential Business & Occupation (B&O) Tax Rate for Royalty Income: Currently, royalty receipts are apportioned using a single factor receipts method and taxed at a rate of 0.484 percent. The 0.484 percent rate was adopted in 1998 (lowered from 1.5 percent) to align software royalty receipts with the rates for software manufacturing. Royalty income is compensation for the use of intangible personal property such as copyrights, patents, licenses, franchises, trademarks, and similar items.

PART 2 - Nexus: As currently interpreted by the United States Supreme Court, the commerce clause of the United States Constitution prohibits states from imposing sales or use tax collection obligations on out-of-state businesses unless the business has a substantial nexus with the taxing state. Under the Court's decision in *Quill Corp. v. North Dakota* (1992), a substantial nexus for sales and use tax collection purposes requires that the taxpayer have a physical presence in the taxing state. Physical presence can be established through a taxpayer's own activities in the taxing state, or indirectly, through independent contractors, agents, or other representatives that act on behalf of the taxpayer in the taxing state.

Currently, Washington cannot impose wholesaling B&O tax on sales of goods that originate outside the state unless the goods are:

- received by the purchaser in this state; and
- the out-of-state seller has physical presence nexus (i.e., the same physical nexus requirement that is used for sales tax purposes).

Both the criteria must be met for the seller to be subject to Washington B&O taxation.

In 2010 Washington adopted an economic presence test for nexus with respect to service-related activities but not wholesaling or retailing activities. For these classifications, a business does not need to have a physical presence to have nexus and be subject to Washington tax. Economic nexus is established by having sales in excess of $267,000 to Washington customers. (The threshold is adjusted from year-to-year based on inflation.)

PART 3 - Manufacturing Machinery Equipment Exemption for Software Manufacturers: In 1995, the legislature enacted legislation that exempted machinery and equipment used by a manufacturer in a manufacturing operation from the retail sales tax. This exemption applies to firms that manufacture software.

Summary: PART 1 - Preferential B&O Tax Rate for Royalty Income: The preferential B&O tax rate for royalty income is eliminated. This income is subject to the 1.5 percent B&O tax rate and would qualify for the increased small business credit.

PART 2 - Nexus: The "physical presence" standard is eliminated and replaced with an "economic nexus" standard for wholesaling activities. Wholesale businesses that lack physical nexus but gross $267,000 or more in sales to Washington customers, $50,000 in payroll, or $50,000 in property in any calendar year are subject to B&O tax.

For purposes of collecting sales tax and paying the B&O tax, remote sellers are deemed to have nexus in this state if the remote seller enters into an agreement with a Washington resident for a commission or other consideration to directly or indirectly refer potential customers, by a link on an Internet website or other method, to the remote seller. The remote seller must also have at least $10,000 in sales to this state in the preceding year.

PART 3 - Manufacturing Machinery Equipment Exemption for Software Manufacturers: The manufacturing machinery and equipment exemption does not apply to:

- an affiliated group or member of an affiliated group that was registered to do business in Washington prior to 1981;
- the affiliated group has a combined employment exceeding forty thousand full and part time employees in the state; and
- the business activities of the affiliated group primarily include the development, sales, and licensing of computer software and services.

PART 4 - Late Payment Penalties: The penalties for late payment of excise taxes are increased 4 percent at each level of delinquency. The penalty rates will go from 5 percent, 15 percent, and 25 percent to 9 percent, 19 percent, and 29 percent.

Votes on Final Passage:

Third Special Session

Senate	35	10
House	60	38

Effective: August 1, 2015
September 1, 2015 (Part II)

SB 6145

C 42 L 15 E 3

Delaying for two years the high school graduation requirement of meeting the state standard on the high school science assessment.

By Senators Fraser, Kohl-Welles, Pedersen, Hatfield, Billig, McCoy, Jayapal, Keiser, Conway, Cleveland, Mullet, Nelson, McAuliffe, Hobbs, Frockt, Liias and Rolfes.

Background: Federal and State Science Assessment Requirements. Under federal and state law, Washington school districts must assess student achievement on the state science standards once in the elementary grades, once in the middle school grades, and once in the high school grades.

State Assessments Required for High School Graduation. Under state law, since 2008 students have been required to meet the state standard on specified statewide high school assessments to graduate from a Washington public high school. This requirement is in addition to other state-established high school graduation requirements. Current law requires that beginning with students in the high school graduating class of 2015 students must also meet the state standard on the statewide science assessment, which is an end-of-course biology assessment.

School Calendars. According to the website of the Office of Superintendent of Public Instruction, the last day of school in the 2014-15 school year for all 295 school districts occurred in June 2015.

Summary: Legislative intent is provided to delay for no more than two years, but not to eliminate, the high school graduation requirement of meeting the state standard on the high school science assessment.

Instead of students in the graduating class of 2015 being required to meet the state standard on the state science assessment to graduate from high school, the requirement to meet the state standard on the science assessment is delayed for two years. The delay applies retroactively to students in the graduating class of 2015. Beginning with the graduating class of 2017 students must meet the state standard on the state science assessment to graduate from high school.

Votes on Final Passage:

Third Special Session

Senate	39	5
House	89	1

Effective: October 9, 2015

SJM 8008

Calling for a National Guard Stryker Brigade stationed on the west coast.

By Senators Hobbs, Roach, Conway, Miloscia, Hatfield, King, Bailey, Keiser, Billig, Padden, Mullet, Ericksen, Frockt, Fraser and McAuliffe.

Senate Committee on Government Operations & Security
House Committee on Community Development, Housing & Tribal Affairs

Background: A Stryker Brigade Combat Team is an infantry force structured around the Stryker eight-wheeled armored vehicle, designed to provide a level of combat support and strength between mobile light infantry and heavier armored infantry. A full Stryker brigade can be transported into a theater of operations within 96 hours. The Army's 2nd Stryker Brigade Combat Team is currently stationed at Joint Base Lewis-McChord in Pierce County.

The 81st Armored Brigade Combat Team is a unit of the Washington National Guard stationed at Camp Murray in Pierce County. Its federal mission is to mobilize and deploy to a theater of operations to conduct combat operations, redeploy, and demobilize. Its state mission is to be prepared for employment in the protection of life and property, and the preservation of peace, order, and public safety, or disaster relief operations as required. The 81st Armored Brigade completed a federal rotation for service in Iraq in 2004.

Summary: A memorial is transmitted to the President, Chief of the National Guard Bureau, President of the United States Senate, Speaker of the House, and each congressional member from Washington. The memorial requests their support to convert the 81st Armored Brigade Combat Team of the Washington National Guard into a Stryker Brigade Combat Team with brigade units stationed in Washington, Oregon, and California.

Votes on Final Passage:

Senate	47	0
House	98	0

SJM 8012

Requesting the designation of U.S. Highway 101 to honor recipients of the Medal of Honor.

By Senators Hargrove, King, Hobbs, Hill, Conway and Hatfield.

Senate Committee on Transportation
House Committee on Transportation

Background: Current law authorizes the Washington State Transportation Commission (WSTC) to name or rename state transportation facilities. The process to name or rename a facility can be initiated by the Washington State Department of Transportation (WSDOT), state and local governmental entities, citizen organizations, or by any individual person. In order for WSTC to consider the proposal, the requesting entity must provide sufficient evidence indicating community support and acceptance of the proposal. This evidence can include a letter of support from the state or federal legislator representing the area encompassing the facility to be renamed. Other evidence that would provide proof of community support includes a resolution passed by other elected bodies in the impacted area, WSDOT support, and supportive action from a local organization such as a chamber of commerce.

Summary: WSTC is requested to commence proceedings to designate U.S. 101 as the North Olympic Peninsula Medal of Honor Memorial Highway to honor those who served and sacrificed their lives. U.S. 101 from two miles east of the Jefferson and Clallam county line to one mile east of the line in Jefferson County would honor Thaddeus S. Smith. U.S. 101 from one mile east of the Jefferson County line to the Clallam County line would honor Marvin G. Shields. U.S. 101 from the Clallam County line to one mile west would honor Francis A. Bishop. U.S. 101 from one mile west of the Clallam County line to two miles west of the line would honor Richard B. Anderson. Copies of the memorial must be forwarded to the Secretary of Transportation, WSTC, and WSDOT.

Votes on Final Passage:

Senate	48	0
House	97	0

SJM 8013

Concerning aquatic invasive species.

By Senators Honeyford and Ranker.

Senate Committee on Natural Resources & Parks
House Committee on Agriculture & Natural Resources

Background: The Water Resources Reform and Development Act of 2014 (WRRDA). Enacted in June 2014, the WWRDA, among other things, authorized 34 new Army Corps projects, established a new loan financing program, strengthened levee and dam safety programs, and codified new reforms to the project review process. The WRRDA also authorized $20 million for new watercraft inspection stations in areas determined to have the highest likelihood of preventing the spread of aquatic invasive species (AIS) at reservoirs in the Columbia River Basin.

AIS Enforcement. A person in possession of an aquatic conveyance who enters Washington by road, air, or water is required to have a certificate of inspection, and if requested, must show the certificate of inspection to a Washington Department of Fish and Wildlife (WDFW) officer. A person in possession of an aquatic conveyance must meet clean and drain requirements after the conveyance's use in or on a water body or property. WDFW may require aquatic conveyances to stop at a check station.

Check stations must be plainly marked and operated by at least one WDFW officer.

Summary: The joint memorial requests that the President of the United States, Secretary of the Department of the Interior Sally Jewell, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the state of Washington expend the appropriated funds to significantly enhance monitoring and prevention efforts and to implement the intent of the WRRDA.

Votes on Final Passage:

Senate	48	0
House	98	0

SUNSET LEGISLATION

Background: The Washington State Sunset Act (Chapter 43.131 RCW) was enacted 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 provided otherwise in legislation, 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.

Summary: Legislation modified the sunset review for alternative processes used by the University of Washington for awarding contracts regarding buildings and facilities for critical patient care or specialized medical research. The termination date for the processes is extended from June 30, 2015, to June 30, 2017. The repeal date for the statutes establishing the processes is extended from June 30, 2016, to June 30, 2018.

Programs for which Sunset Review is Extended

The sunset review is extended for alternative processes used by the University of Washington for awarding contracts regarding buildings and facilities for critical patient care or specialized medical research: 2EHB 1115 (C 3 L 2015 E3).

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64TH WASHINGTON STATE LEGISLATURE

Section II: Budget Information

2015

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2015-17 OMNIBUS OPERATING BUDGET OVERVIEW

Operating Only

Background to the 2015-17 Budget

Context

The Legislature entered the 2015 session seeing increased revenue along with rising maintenance level costs (the cost of carrying forward the ongoing 2013-15 budget programs and services into the 2015-17 biennium). Other pressing issues included the need to consider court cases related to mental health, the Supreme Court's McCleary decision (K-12 funding), and other fiscal and policy issues.

Projected Revenue

Forecasted revenue in the Near General Fund-State and Opportunity Pathways accounts (NGF-P) based on the May 2015 forecast, before 2015 legislation, is projected to increase from $34.28 billion in the 2013-15 biennium to $37.45 billion in the 2015-17 biennium. This is an increase of approximately $3.17 billion.

In addition, the operating budget for 2015-17 assumes legislation that would decrease revenue by $37 million.

Projected Spending

At the same time, the cost of continuing current programs and meeting other statutory obligations increased as well. The estimated maintenance level cost for 2015-17 is $39.2 billion. This is $5.4 billion higher than the $33.8 billion appropriated for the 2013-15 biennium. Net increases in K-12 accounted for $4.3 billion of the $5.4 billion, or about 80 percent of the maintenance level increase from the previous biennium. The 4.3 billion increase includes $2.0 billion NGF-P being the estimated cost to implement Initiative 1351 (I-1351) (adopted by the voters in November 2014), $741 million for materials, supplies and operating costs required by House Bill 2776 (Chapter 236, Laws of 2010) and related to the McCleary decision; and funding for Initiative 732 (education cost-of-living increases), increased enrollment, and continuation of funding for basic education enhancements previously made in the 2013-15 biennium.

The operating budget for 2015-17 also includes $2.0 billion in additional policy enhancements. Some of the largest items include: 1) $744 million for K-12 public schools (in addition to the $4.3 billion maintenance level increase described above); 2) $351 million for higher education including financial aid, compensation increases, and a tuition reduction; 3) $158 million for early learning and related child care programs; 4) $104 million for mental health related programs; 5) $115 million for home care worker compensation, training and benefits; 6) $173 million for state employee compensation; and 7) $370 million in all other policy increases.

Finally, the Legislature anticipates that revisions to the caseload forecast made in June 2015 will result in anticipated costs of $36 million for the 2015-17 biennium (and that those would be recognized in a 2016 supplemental budget).

Projected Shortfall (Before 2015 Actions)

A budget shortfall is projected when estimated costs exceed estimated revenues. For the 2015-17 Biennium, before any legislative action was taken in the 2015 legislative session, the estimated cost of continuing current programs and complying with current laws exceeded forecasted revenue (after the required Budget Stabilization Account transfer) by approximately $2.1 billion. This is sometimes referred to as the maintenance level shortfall.

Combining the maintenance level shortfall of $2.1 billion NGF-P with the policy increases in the enacted budget, legislation that reduces revenue, and leaving an ending fund balance of $343 million NGF-P, the combined budget problem statement is approximately $4.5 billion.

Enacted 2015-17 Operating Budget

The operating budget appropriates a total of $38.2 billion from Near General Fund-State plus Opportunity Pathway and addresses the budget problem statement through:

- fund transfers and revenue redirections of $178 million;
- reduced spending of approximately $2.95 billion ($2.04 billion by modifying I-1351);
- utilizing a portion of the $910 beginning balance;
- changes in the budget and other adjustments that increase resources by $83 million;
- assumed reversions of $172 million; and
- legislation that increases revenues by $217 million .

Policy Level Spending Reductions

Policy level spending increases are described in the projected spending section (above). Policy level spending reductions assumed in the budget include: (1) $2.04 billion by modifying I-1351; (2) $66 million in savings within the economic services program of DSHS; (3) $152 million by extending and modifying the hospital safety net; (4) $235 million by utilizing marijuana related revenues to support existing programs; (5) $115 million from an enhanced federal match for low income health care for certain children; (6) $72 million from shifting costs for selected programs to dedicated revenue sources; and (7) $267 million in other savings.

In addition, it is assumed that agencies will generate reversions of $172 million in the 2015-17 Biennium. (Because appropriations represent the maximum amount that state agencies may spend, actual expenditures are typically less than the appropriated amounts. The amount of unspent funds is typically referred to as reversions.)

Fund Transfers and Other Revenue/Resource Changes

Revenue legislation that decreases revenues is noted in the projected revenue section (above) and detailed in the Revenue section of this document. Revenue legislation that increases revenues totals $217 million in the 2015-17 Biennium. Significant provisions include unclaimed lottery prizes, defining nexus for tax purposes, and various information technology related items. These are detailed in the revenue section of this document.

Fund transfers assumed to take place during the 2015-17 biennium include:

- $73 million from the Public Works Assistance Account;
- $62 million related to the Life Sciences Discovery Fund;
- $42 million in total from various accounts (including Treasurer's Service, Criminal Justice Treatment, Flood Control, Liquor Revolving, and Energy Freedom accounts)

Other provisions impacting revenue include (for 2015-17):

- $37 million in budget driven revenue (primarily from increased tobacco enforcement efforts by the Liquor and Cannabis Board as well as reduced commission rates offered by the State Lottery); and
- $41 million in anticipated prior period balance sheet adjustments

Finally, in accordance with Chapter 2, Laws of 2015, 3rd Sp.s. (Engrossed House Bill 2286), certain extraordinary revenue growth during the 2013-15, 2015-17, and 2017-19 biennia will be transferred back to the state general fund. The estimated amounts are: (1) $38 million for 2013-15; (2) $5 million for 2015-17; and (3) $516 million for 2015-17.

Projected Ending Balance and Outlook

The budget, after partial vetoes and including appropriations made in other legislation, leaves $1.237 billion in projected total reserves ($343 million in NGF-S ending fund balances and the remaining $894 million in the Budget Stabilization Account) for the 2015-17 Biennium. Before gubernatorial vetoes, projected total reserves were $1.26 billion ($362 million in NGF-S ending fund balances and the remaining $894 million in the Budget Stabilization Account).

The budget, under the provisions of the statutory four-year outlook Chapter 8, Laws of 2012, 1st sp.s (SSB6636), is projected to end the 2017-19 biennium with negative $23 million in NGF-P and $1.367 billion in the Budget Stabilization Account (total net reserves of $1.344 billion). Before vetoes, the outlook was projected to end the 2017-19 biennium with $1.41 billion in total reserves ($47 million in NGF-P and the remainder in the Budget Stabilization Account).

The projected ending balances in 2015-17 and 2017-19 include the impact of the June 2015 caseload revisions (even though those would be in a 2016 Supplemental Budget).

In accordance with Engrossed House Bill 2267, the state expenditure limit is temporarily suspended to facilitate compliance with the Supreme Court opinion in *McCleary v. State*.

Veto

The governor vetoed several sections of Engrossed Substitute Bill 6052 (Chapter 4, Laws of 2015, 3rd Sp.).

In fiscal year 2015, changes to general fund appropriated levels for the Health Care Authority (HCA) were vetoed. This had the impact of increasing appropriations by $110 million of which the HCA was directed to place $90.4 million in reserve. The Governor also vetoed a provision stating that the legislature did not intend to appropriate $50 million into the local public safety enhancement account in the 2017-19 biennium. Several other provisions were also vetoed.

Additional Information

The 2015 legislature also amended the budget for the 2013-15 Biennium. On February 19, 2015, the Governor signed Substitute House Bill 1105 (Chapter 3, Laws of 2015). That bill made a series of appropriations for fiscal year 2015 which were additive to the then current budget. On June 30, 2015, the Governor signed Engrossed Substitute Bill 6052 (Chapter 4, Laws of 2015, 3rd Sp.) which made additional modifications to appropriated levels for the 2013-15 Biennium. The agency detail section of this report shows the cumulative impact of both bills.

Additional information on the enacted budget, as well as versions proposed by each chamber, are available at http://leap.leg.wa.gov/leap/archives/index_budgetsp.asp . Additional materials include:

- Bill text
- Agency detail showing line item changes by agency (and program level in selected areas such the Department of Social and Health Services and K-12 Public Schools);
- A detailed four-year budget outlook; and
- Supporting schedules referenced in the budget.

Additional information on budget outlooks can be found at http://www.erfc.wa.gov/budget/budget_outlook.html

2013-15 & 2015-17 Enacted Balance Sheet

General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts (and Budget Stabilization Account)

(Dollars in Millions)

	2013-15	2015-17
RESOURCES		
Beginning Fund Balance	**156.4**	**909.7**
May 2015 Forecast	34,280.4	37,451.1
Transfer to Budget Stabilization Account (Incl. EORG) [3]	(356.3)	(373.9)
Other Enacted Fund Transfers	430.2	-
Alignment to the Comprehensive Financial Statements & Other Adj	11.0	40.8
2015 Changes		
Fund Transfers (Excluding BSA)	*1.9*	*178.0*
Revenue Legislation [1]	*6.9*	*179.9*
Budget Driven Revenue & Other	*1.0*	*37.3*
Additional Transfers To BSA	*(0.1)*	*(2.1)*
Transfers from BSA to GFS	*37.9*	*4.4*
Impact of Governor's Veto	*-*	*-*
Total Resources (including beginning fund balance)	**34,569.3**	**38,425.2**
EXPENDITURES		
2013-15 Enacted Budget		
Enacted Budget (w/2014 Supplemental)	33,794.1	
2015 Early Supplemental Budget	66.2	
2015 Supplemental Budget	*(70.5)*	
Veto Actions	*109.9*	
Assumed Reversions	(240.1)	
2015-17 Biennium		
Proposed Budget		*38,219.4*
Lapsed Appropriations		*(0.2)*
Anticipated 2016 Supplemental (June 2015 caseloads) [2]		*35.6*
Assumed Reversions		*(172.5)*
Total Expenditures	**33,659.6**	**38,082.3**
RESERVES		
Projected Ending Balance	**909.7**	**342.9**
Budget Stabilization Account Beginning Balance	269.7	513.0
Transfers from General Fund and Interest Earnings	358.4	385.5
Less Transfers Out And Spending From BSA (Early Action/EORG) [3]	(115.1)	(4.4)
Projected Budget Stabilization Account Ending Balance	**513.0**	**894.1**
Total Reserves (Near General Fund plus Budget Stabilization)	**1,422.6**	**1,237.1**

[1] *Legislation enacted prior to the May, 2015 revenue forecast is included in the May forecast number. The enacted legislation has a net impact of $39 million in the 2015-17 biennium.*

[2] *Appropriations are not made for this item in this proposal and would be part of a 2016 Supplemental Budget.*

[3] *In the 2013-15 Biennium, $37.9 is assumed to be transferred from the state general fund to the Budget Stabilization Account as extraordinary revenue growth (EORG). Under legislation adopted in 2015, those funds would be transferred back to the state general fund. The same is true with about $4.4 million of EORG in 2015-17.*

Fund Transfers, Revenue Legislation and Budget Driven Revenues

(Dollars In Millions)

	2013-15	FY 16	FY 17	2015-17
Fund Transfers To GFS (Excluding Transfers To/From BSA)				
Data Processing Revolving Account	(4.1)			
Life Sciences Discovery Fund	-	37.0	25.4	62.4
State Treasurer's Service Account	-	10.0	10.0	20.0
Energy Freedom Account	-	3.3	-	3.3
Liquor Revolving Fund	6.0	3.0	3.0	6.0
Criminal Justice Treatment Account	-	5.7	5.7	11.3
Public Works Assistance Account	-	36.5	36.5	73.0
Reduce Flood Control Assistance Account Transfer	-	1.0	1.0	2.0
SubTotal	**1.9**	**96.5**	**81.6**	**178.0**
Legislation (GFS Unless Otherwise Noted)				
2136 Marijuana Market Reforms	6.9	(2.2)	17.0	14.8
5681 Lottery Unclaimed Prizes	-	7.6	7.6	15.200
6057 Tax Preferences and Streamlined Tax Administration		(15.0)	(20.4)	(35.4)
6138 Increasing State Revenue		73.8	111.4	185.3
SubTotal	**6.9**	**64.3**	**115.6**	**179.9**
Budget Driven & Other (General Fund Unless Otherwise Noted)				
Lottery Fund BDR (Opportunity Pathways)	(0.5)	5.1	5.0	10.1
Traffic Infraction Base Penalty		2.3	2.3	4.6
Liquor Revolving Fund BDR	1.5	3.9	18.7	22.6
SubTotal	**1.0**	**11.3**	**26.1**	**37.3**
Grand Total	**9.8**	**172.0**	**223.2**	**395.2**

List Of Legislation Already Accounted For In the May Forecast:	**2013-15**	**FY 16**	**FY 17**	**2015-17**
1550 Amusement and recreational activities	-	(0.6)	(1.4)	(2.0)
5564 Juvenile records and fines	-	(0.1)	(0.1)	(0.2)
1060 Litter tax revenues	-	(0.0)	(0.0)	(0.0)
1619 Environmental handling charges	-	(0.0)	(0.0)	(0.0)
1516 Lodging taxes on hostels	-	0.0	0.0	0.0
5052 Establishing the cannabis patient protection act	-	(1.4)	42.5	41.1
	-	**(2.1)**	**41.0**	**39.0**

Note: Excluded from the grand total is legislation already included in the May, 2017 forecast (listed above) and items with no 2015-17 impact.

REVENUE

The 2015-17 budget assumes revenue of $37.4 as reflected in the May 2015 revenue forecast. This represents a 9.2 percent increase in revenues over the 2013-15 biennium.

General Fund revenue-related issues of the 2015 session included K-12 funding, the taxation of marijuana, the extension of several significant soon-to-expire tax preferences, and additional revenue options for local governments.

Chapter 70, Laws of 2015, 3rd sp.s. (2SSB 5052) extended the regulatory framework for recreational marijuana to medical marijuana. This change is expected to significantly increase marijuana tax collections by applying to medical marijuana many of the same regulatory and taxation requirements currently applicable to recreational marijuana. Chapter 4, Laws of 2015, 3rd sp.s. (2E2SHB 2136) simplifies the taxation of marijuana by creating a single tax rate at the retail level, providing a sales and use tax exemption for qualifying medical marijuana patients, distributing a portion of state marijuana tax collections to local governments, and making other regulatory changes.

A portion of the increased revenue assumed in the enacted operating budget for 2015-17 comes from tax changes in Chapter 5, Laws of 2015, 3rd sp.s. (ESSB 6138). This legislation increases state revenue by eliminating a preferential tax rate for royalty income, narrowing a sales and use tax exemption for machinery and equipment, increasing penalties related to delinquent taxes, and modifying nexus standards for certain out-of-state businesses doing business with Washington customers. These changes are estimated to increase General Fund-State revenues by $185.2 million in the 2015-17 biennium.

Several significant tax preferences were set to expire on July 1 of this year. Chapter 6, Laws of 2015, 3rd sp.s (ESSB 6057) is an omnibus tax preference bill that extends or creates thirteen tax preferences. Additionally, the bill addresses administrative changes for unclaimed property reporting requirements. This bill is estimated to decrease General Fund-State revenues by $35.4 million over the 2015-17 biennium.

The legislature passed several bills relating to local government finance. This includes a bill (Chapter 24, Laws of 2015, 3rd sp.s. (ESHB 2263)) that would give counties and cities the authority to impose a local sales and use tax or property tax to fund cultural access programs.

2015 Revenue Legislation

Near General Fund-State + Opportunity Pathways Account

(Dollars in Millions)

Bill Number	Brief Title	2015-17
HB 1550	Amusement and recreational activities[3]	-2.0
E2SSB 5564	Juvenile records and fines	-0.2
ESB 6013	Use tax relief for charitable contributions	0.0
SSB 5186	Property tax exemption for senior citizens/veterans	0.0
ESB 5761	Property tax exemption for industrial facilities	0.0
ESHB 2263	Providing local governments tax authority options	0.0
ESHB 1060	Litter tax revenues	0.0
SHB 1619	Environmental handling charges	0.0
SHB 1516	Lodging taxes on hostels	0.0
ESSB 5681	State unclaimed prizes	15.2
2SSB 5052	Establishing the cannabis patient protection act [3]	41.1
2E2SHB 2136	Comprehensive marijuana market reforms	14.8
2ESSB 5987	**Concerning transportation revenues**	
	Alternative fuel commercial vehicle tax credits	0.0
	Alternative fuel vehicle sales/use tax exemption	0.0
	Commute trip reduction tax credit program	0.0
	Total for 2ESSB 5987	**0.0**
ESSB 6057	**Concerning tax preferences and streamlined tax administration**	
	Extend expiration date of food processing tax preferences	-12.7
	Data center server equipment sales and use tax exemption	-12.5
	Pilot program - Washington State job creation	-3.2
	Extend aluminum smelters tax preferences	-2.7
	Newspapers preferential rate	-0.4
	Reduced PUT for log transportation	-1.8
	Job Creation in the Maritime Trades Industry	-2.3
	Distribution of aircraft excise taxes[1]	-0.6
	B&O tax credit to hire veterans	-0.5
	Honey bee products and services	0.0
	Wax and ceramic materials for molds	-0.6
	HST exemption for agricultural crop protection products[2]	0.0
	Taxation of rental property by nonprofit fair associations	0.0
	Improving administration of unclaimed property laws	1.3
	Total for ESSB 6057	**-36.0**
ESSB 6138	**Increasing state revenue**	
	Eliminating the preferential tax rate for royalty income	31.3
	Modifying nexus standards	73.7
	Narrowing the manufacturing M&E sales tax exemption	57.3
	Increasing late payment penalties	23.0
	Total for ESSB 6138	**185.3**
	Total	**218.2**

[1] Increases revenue into the state aeronautics account by an equivalent amount.

[2] Decreases revenue to state environmental legacy stewardship account by $0.6 in 2015-17.

[3] Amounts were included in the May 2015 revenue forecast.

PROVIDING A PROPERTY TAX EXEMPTION FOR INDUSTRIAL/MANUFACTURING FACILITIES – NO IMPACT TO GENERAL FUND-STATE

Chapter 9, Laws of 2015, 1st sp.s. (ESB 5761) allows a 10-year property tax exemption on the value of new construction of industrial/manufacturing facilities that create family living wage jobs in targeted urban areas.

SIMPLIFYING THE TAXATION OF AMUSEMENT AND RECREATIONAL SERVICES - $2.0 MILLION GENERAL FUND-STATE DECREASE

Chapter 169, 2015 Laws (HB 1550) simplifies the taxation of recreational services by replacing the term "amusement and recreation service" in the definition of "retail sale" with a specific list of retailing activities of an amusement or recreation nature. The term "physical fitness services" is removed from the definition of "retail sale." Instead, "retail sale" includes the operation of an "athletic or fitness facility." With certain exceptions, all charges for the use of an athletic or fitness facility are retail sales, including any charges associated with services or amenities. The sales tax exemption for charges for the "opportunity to dance" is made permanent.

RELATING TO JUVENILE RECORDS AND FINES - $200,000 GENERAL FUND STATE DECREASE

Chapter 265, Laws of 2015, PV (E2SSB 5564) reduces or eliminates fines on several types of juvenile criminal offenses.

CONCERNING A PROPERTY TAX EXEMPTION FOR SENIOR CITIZENS AND SERVICE-CONNECTED DISABLED VETERANS - NO IMPACT TO GENERAL FUND-STATE

Chapter 30, Laws of 2015, 3rd sp.s. (SSB 5186) increases the Senior Citizen and Disabled Persons Property Tax Relief Program income thresholds by $5,000 for taxes levied for collection in 2016 and thereafter.

PROVIDING LOCAL GOVERNMENTS TAX AUTHORITY OPTIONS - NO IMPACT TO GENERAL FUND-STATE

Chapter 24, 2015 Laws 3rd sp.s (ESHB 2263) provides local governments options to provide services in their communities by permitting a county or city to create a cultural access program (CAP) and authorizes counties with a population of 1.5 million or less, or a city, to impose either a sales and use tax or a property tax levy to fund a CAP. A county with a population of 1.5 million or more may impose a sales and use tax to fund a CAP. In addition, the governing body of a county or city may impose a 0.1 percent local sales tax for housing and related services for specific individuals if approved by a majority of voters.

RELATING TO EXISTING LITTER TAX REVENUES - NO GENERAL FUND STATE IMPACT

Chapter 15, Laws of 2015 (ESHB 1060) makes permanent changes to allowable uses of litter tax revenues that were done as a one-time appropriation in the 2013-2015 operating budget. The matching fund grant program created in the 2013-2015 operating budget is also made permanent. There is no increase in the litter tax rate.

PROVIDING AN EXEMPTION FOR HOSTELS FROM THE CONVENTION AND TRADE CENTER TAX - $42,000 GENERAL FUND-STATE INCREASE

Chapter 151, Laws of 2015 (SHB 1516) exempts hostels that primarily sell lodging services on an individual bed, shared room basis from the convention and trade center tax. In addition, the King County Public Facilities District is no longer authorized to levy the state-shared hotel motel tax on sales of lodging at a hostel.

RELATING TO UNCLAIMED PRIZES IN THE STATE LOTTERY ACCOUNT - $15.2 MILLION GENERAL FUND STATE INCREASE (ACTUALLY OPPORTUNITY PATHWAYS ACCT)

Chapter 31, 2015 Laws 3rd sp.s (ESSB 5681) transfers any balance of unclaimed prizes in excess of $10 million dollars from the state lottery account to the Opportunity Pathways Account on June 30 of each fiscal year.

PROVIDING USE TAX RELIEF FOR INDIVIDUALS WHO SUPPORT CHARITABLE ACTIVITIES - $10,000 GENERAL FUND-STATE DECREASE

Chapter 32, 2015 Laws 3rd sp.s (ESB 6013) increases the use tax exemption amount for items purchased or received from a nonprofit organization or library from $10,000 to $12,000 and extends the expiration date for the exemption to July 1, 2020.

ESTABLISHING THE CANNABIS PATIENT PROTECTION ACT - $41.1 MILLION GENERAL FUND-STATE INCREASE

Chapter 70, 2015 Laws (2SSB 5052) requires licensed marijuana retailers to obtain a medical marijuana endorsement to sell medical-grade marijuana to qualifying patients and designated providers and requires the marijuana excise tax to be collected and remitted. Requires qualifying patients and designated providers to be entered into the Medical Marijuana Authorization Database and obtain a recognition card to have additional amounts of marijuana products and arrest protection. Eliminates collective gardens and replaces them with cooperatives which may only have four qualifying patients or designated providers and must be registered with the Liquor and Cannabis Board and provides a B&O tax exemption for marijuana produced and used by members of the cooperatives.

CONCERNING COMPREHENSIVE MARIJUANA MARKET REFORMS - $14.8 MILLION GENERAL FUND-STATE INCREASE

Chapter 4, 2015 Laws 2nd sp.s (2E2SHB 2136) eliminates the 25 percent marijuana producer and processor taxes and increases the 25 percent retailer tax to 37 percent and specifies that the tax is levied on the buyer. Clarifies the tax treatment of bundled transactions at licensed marijuana retail stores and prohibits conditional sales by any marijuana business. Provides a sales and use tax exemption to qualifying patients and designated providers. Provides marijuana tax revenues for local jurisdictions, distributed based on retail sales and population, at an annual cap of $15 million per fiscal year for the 2017-2019 biennium and $20 million per fiscal year thereafter and $12 million for cities and counties for distribution, based on retail sales only, in the 2015-2017 biennium. Permits local jurisdictions to revise the buffer distance provisions for the siting of marijuana licensees and requires notice to certain nearby entities. Subjects medical marijuana cooperatives to buffer distances similar to marijuana licensees.

CONCERNING TRANSPORTATION REVENUES - NO GENERAL FUND-STATE IMPACT

Chapter 44, 2015 Laws 3rd sp.s (2ESSB 5987) provides transportation revenue and modifies or extends transportation related tax preferences. The following parts impact general fund state revenues:

- **Alternative Fuel Commercial Vehicle Tax Credits** - A credit is created against the business and occupation tax and public utility tax for a portion of the purchase price of an alternative fuel commercial vehicle. Credits are limited to $6 million annually and may be earned through January 1, 2021. A quarterly transfer is established from the Multimodal Transportation Account to the General Fund in amounts equal to the credits taken. These sections are known as the clean fuel vehicle incentives act.
- **Alternative Fuel Vehicle Sales and Use Tax Exemptions** - The sales and use tax exemptions on alternative fuel passenger vehicles are extended until July 1, 2019; expanded to include plug-in hybrid vehicles; and limited to apply only to vehicles with a selling price of $35,000 or less. A quarterly transfer is established from the Multimodal Transportation Account to the General Fund in amounts equal to the exempt amounts.
- **Commute Trip Reduction Tax Credit Program** - The commute trip reduction tax credits and corresponding quarterly transfers from the Multimodal Transportation Account to the General Fund are extended until June 30, 2024 at $2,750,000 per year.

CONCERNING TAX PREFERENCES AND STREAMLINED TAX ADMINISTRATION - $36.0 MILLION GENERAL FUND-STATE DECREASE

Chapter 6, 2015 Laws 3rd sp.s (ESSB 6057) modifies, extends, or creates thirteen tax exemptions. In addition, the bill addresses administrative changes for unclaimed property reporting requirements. The following parts are included:

- **Extend Expiration Date of Food Processing Tax Preferences - $12.7 Million General Fund-State Decrease -** The B&O tax exemptions for food processors are extended from July 1, 2015, to July 1, 2025. A tax preference performance statement is included. The stated public policy objectives of the act are to create and retain jobs in the food processing industry and to provide tax relief.
- **Data Center Server Equipment Sales and Use Tax Exemption - $12.5 Million General Fund-State Decrease -** A sales and use tax exemption is provided for eligible server equipment and eligible power infrastructure located in data centers in which construction commences between July 1, 2015, and July 1, 2025. Eligible server equipment is equipment installed in a data center built after July 1, 2015, and includes original server equipment and replacement server equipment. The exemption for replacement server equipment continues for twelve years. Substations do not qualify as eligible power infrastructure. Data centers built between 2012 and July 1, 2025, can receive a sales tax exemption for replacement servers for twelve years instead of eight. Qualifying data centers are limited to eight from July 1, 2015 to July 1, 2019, and no more than 12 until July 1, 2025, on a first-come, first-served basis.
- **Pilot Program - Washington State Job Creation - $3.2 Million General Fund-State Decrease -** The Invest in Washington pilot program is established to evaluate the effectiveness of providing a tax incentive for businesses that invest in manufacturing facilities and equipment and reinvest those tax savings in employee training programs. The pilot program consists of up to five qualified industrial facilities, of which at least two must be located in eastern Washington. An eligible investment project includes up to $10 million in sales and use tax on construction costs or purchases of qualified machinery and equipment. Amounts paid for the construction of qualified buildings, machinery, and equipment are eligible for a sales and use tax deferral. The recipient of a deferral must begin repaying the deferred taxes five years after the date that the project is complete. There is no interest charged on deferred taxes, and the taxes may be repaid over a ten-year period in equal annual payments.
- **Extend Aluminum Smelters Tax Preferences - $2.7 Million General Fund-State Decrease -** The aluminum industry tax preferences that are set to expire in 2017 are extended for ten years to 2027. A tax preference statement is included that directs JLARC to measure the effectiveness of the exemption in preserving employment positions within the industry by evaluating the change in the number of aluminum industry employment positions in Washington State.
- **Modify Newspaper Preferential Tax Rate - $400,000 General Fund-State Decrease -** Both the electronic version of a newspaper and the newspaper will be subject to the B&O tax at the rate of 0.35 percent. If the subscription revenue for the electronic version of a newspaper exceeds that of the traditional revenue, the newspaper will be taxed at the rate of .471 percent for subscriptions and 1.5 percent for advertising.
- **Reduce the Public Utility Tax Rate for Log Transportation - $1.8 Million General Fund-State Decrease -** The PUT rate is permanently reduced from 1.926 percent to 1.3696 percent on the hauling of logs over public highways. The hauling of logs over private roads is subject to the B&O tax under the service and other activities classification. The taxation of the transportation of logs that occur exclusively over private roads is not affected.
- **Provide a Use Tax Exemption to Increase Jobs in the Maritime Trades Industry - $2.3 Million General Fund-State Decrease -** The availability of use permits for purposes of vessel sales and use taxation is extended to nonresident business entities, e.g. corporations, limited liability companies, partnerships, etc. A fee structure is established for nonresident business entities with vessels between 30 and 164 feet to obtain a vessel permit to use the vessel in Washington; however nonresident business

entities are only authorized to purchase two permits in a 36 month period. A JLARC review is required and the use tax exemption expires in 2025.

- **Providing a Business and Occupation Tax Credit to Hire Veterans - $500,000 General Fund-State Decrease -** B&O or PUT tax credits are provided to businesses that provide positions to qualified employees, defined as an unemployed veteran who is employed in a permanent full-time position for at least two consecutive full calendar quarters. The credit is equal to 20 percent of wages and benefits paid up to a maximum of $1,500 for each qualified employment position filled by an unemployed veteran. The credits are available on a first-in-time basis not to exceed $500,000 in any fiscal year. Credits disallowed in one year can be carried over to the next fiscal year. This credit expires July 1, 2023.
- **Provide Permanent Tax Preferences for Honey Bee Products and Services - No Impact to General Fund-State -** The definitions of agricultural product and farmer are amended to include apiarists and honey bee products. Therefore, the tax exemptions provided to agricultural products and farmers are extended to apiarists and honey bee products and are intended to be permanent. By modifying these definitions, the temporary, industry-specific, honey bee tax exemptions become redundant and are repealed.
- **Providing a Permanent Sales and Use Tax Exemption for Wax and Ceramic Molds - $600,000 General Fund-State Decrease -** The expiration date for the sales and use tax exemption for wax, ceramic materials, and labor related to the creation of investment castings used in industrial applications is eliminated. The tax preference performance statement categorizes the tax preference as one intended to reduce a structural inefficiency and exempts this tax preference from the mandatory expiration date or a joint legislative audit and review committee analysis.
- **Hazardous Substance Tax Exemption for Agricultural Crop Protection Products - No Impact to General Fund-State -** An exemption from the hazardous substance tax imposed under MCTA is created. It applies to the possession of an agricultural crop protection product when that possession is solely for use by a farmer or certified pesticide applicator and the product is warehoused in Washington or transported to or from Washington. To qualify for this exemption, the person possessing the product may not use, repackage, manufacture, or sell the product in Washington.
- **Taxation of Rental Property by Nonprofit Fair Associations - No Impact to General Fund-State -** The exception for property purchased or acquired by the nonprofit fair association from a county or a city between 1995 and 1998 does not expire after 2018. If any portion of the property is knowingly rented for more than 50 days, the exemption still applies but the rental income is subject to leasehold excise tax.
- **Improving Administration of Unclaimed Property Laws - $1.3 Million General Fund-State Increase** The penalty provisions of the Unclaimed Property Act are restructured. The current 100 percent penalty for willful failure to file a report or provide notice to apparent property owners is replaced with the following penalties:
    - 10 percent for failure to file a report or pay or deliver property under a report; and
    - 10 percent assessment penalty with an additional 5 percent penalty if the assessment is not paid by the due date.

INCREASING STATE REVENUE THROUGH IMPROVED COMPLIACE AND ELIMINATING TAX PREFERENCES - $185.3 MILLION GENERAL FUND-STATE INCREASE

Chapter 5, 2015 Laws 3rd sp.s (ESSB 6138) increases state revenue by eliminating tax preferences and improving compliance through data collection methods. The following parts are included:

- **Eliminates the Preferential Tax Rate for Royalty Income - $31.4 Million General Fund-State Increase -** The preferential B&O tax rate for royalty income is eliminated. This income is subject to the 1.5 percent B&O tax rate and will qualify for the increased small business credit.

- **Modify Nexus Standards - $73.7 Million General Fund-State Increase -** Nexus standards are modified to include remote sellers who:
    - enter into agreements with Washington residents who, for a commission or other consideration, refer potential customers to the remote seller such as by a link on a website; and
    - generate more than $10,000 in gross receipts during the prior calendar year under such agreements from sales into this state.

  This type of nexus is referred to as "click-through" nexus. This change in nexus standards will require these remote sellers to collect and remit Washington sales tax for sales made into the state. Remote sellers that collect and remit retail sales tax will also be required to pay B&O tax on their Washington sales.

  Economic nexus standards are extended to out-of-state businesses with no physical presence in Washington, but who make wholesale sales into Washington. If these businesses have more than $267,000 of receipts from this state, then economic nexus standards with Washington will apply and these business will be required to remit wholesaling B&O tax at the rate of 0.484 percent.

- **Narrow the Manufacturing Machinery Equipment Sales Tax Exemption - $57.2 Million General Fund-State Increase -** The definition of "manufacturer" is clarified to include those engaged in the development of prewritten computer software that is not transferred to purchasers by means of tangible storage media rather than electronically, and excludes an "ineligible person" from taking the manufacturing machinery and equipment sales and use tax exemption. An "ineligible person" includes all members of an affiliated group of two or more entities where:
    - at least one member was registered with the Department on or before July 1, 1981, and the group has a combined full and part-time employment of 40,000 as of August 1, 2015.
    - The group's business activities must also primarily involve the development, sales, and licensing of computer software and services.

- **Increase Late Payment Penalties - $22.9 Million General Fund-State Increase -** The penalties for late tax returns are increased by 4 percent to:
    - 9 percent from one day after the due date to the last day of the month following the due date;
    - 19 percent from the first day of the second month following the due date to the last day of that month; or
    - 29 percent from the first day of the third month to the last day of that month.

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

TOTAL STATE

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	**2015-17**	**Difference**	**2013-15**	**2015-17**	**Difference**
Legislative	141,249	153,796	12,547	155,352	173,930	18,578
Judicial	243,052	267,132	24,080	311,247	337,921	26,674
Governmental Operations	464,511	510,107	45,596	3,571,638	3,792,924	221,286
Other Human Services	6,219,402	5,952,628	-266,774	18,128,323	21,333,537	3,205,214
DSHS	5,791,717	6,381,151	589,434	12,249,437	13,932,885	1,683,448
Natural Resources	270,208	308,873	38,665	1,692,005	1,713,043	21,038
Transportation	69,871	80,612	10,741	194,539	195,359	820
Public Schools	15,298,272	18,156,830	2,858,558	17,265,248	20,008,166	2,742,918
Higher Education	3,090,849	3,525,134	434,285	12,151,834	13,826,980	1,675,146
Other Education	205,808	347,928	142,120	597,206	736,946	139,740
Special Appropriations	2,104,796	2,534,988	430,192	2,512,901	2,836,614	323,713
Statewide Total	**33,899,735**	**38,219,179**	**4,319,444**	**68,829,730**	**78,888,305**	**10,058,575**

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2015 legislative session and appropriations contained in other legislation shown on page ??.

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
House of Representatives	61,663	68,438	6,775	63,428	70,356	6,928
Senate	44,384	48,768	4,384	45,898	50,516	4,618
Jt Leg Audit & Review Committee	147	0	-147	6,452	6,711	259
LEAP Committee	3,430	0	-3,430	3,430	3,658	228
Office of the State Actuary	276	592	316	3,803	5,617	1,814
Office of Legislative Support Svcs	7,374	8,123	749	7,472	8,278	806
Joint Legislative Systems Comm	16,033	19,006	2,973	16,033	19,006	2,973
Statute Law Committee	7,942	8,869	927	8,836	9,788	952
Total Legislative	**141,249**	**153,796**	**12,547**	**155,352**	**173,930**	**18,578**
Supreme Court	13,898	15,085	1,187	13,898	15,085	1,187
State Law Library	2,968	3,147	179	2,968	3,147	179
Court of Appeals	31,735	34,158	2,423	31,735	34,158	2,423
Commission on Judicial Conduct	2,077	2,210	133	2,077	2,210	133
Administrative Office of the Courts	102,582	112,694	10,112	165,257	178,222	12,965
Office of Public Defense	66,777	74,460	7,683	70,729	78,108	7,379
Office of Civil Legal Aid	23,015	25,378	2,363	24,583	26,991	2,408
Total Judicial	**243,052**	**267,132**	**24,080**	**311,247**	**337,921**	**26,674**
Total Legislative/Judicial	**384,301**	**420,928**	**36,627**	**466,599**	**511,851**	**45,252**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
Office of the Governor	10,701	10,813	112	14,701	14,813	112
Office of the Lieutenant Governor	1,309	1,270	-39	1,404	1,365	-39
Public Disclosure Commission	4,126	4,747	621	4,126	4,747	621
Office of the Secretary of State	21,235	38,666	17,431	81,286	99,819	18,533
Governor's Office of Indian Affairs	498	537	39	498	537	39
Asian-Pacific-American Affrs	418	450	32	418	450	32
Office of the State Treasurer	0	0	0	15,226	16,753	1,527
Office of the State Auditor	1,509	45	-1,464	75,773	72,677	-3,096
Comm Salaries for Elected Officials	308	331	23	308	331	23
Office of the Attorney General	21,822	23,148	1,326	246,163	265,955	19,792
Caseload Forecast Council	2,533	2,832	299	2,533	2,832	299
Dept of Financial Institutions	0	0	0	47,960	51,960	4,000
Department of Commerce	126,601	121,265	-5,336	519,462	488,382	-31,080
Economic & Revenue Forecast Council	1,563	1,672	109	1,613	1,722	109
Office of Financial Management	35,343	38,903	3,560	125,126	136,004	10,878
Office of Administrative Hearings	0	0	0	39,224	38,508	-716
State Lottery Commission	0	0	0	810,427	946,373	135,946
Washington State Gambling Comm	0	0	0	29,969	30,548	579
WA State Comm on Hispanic Affairs	473	505	32	473	505	32
African-American Affairs Comm	471	502	31	471	502	31
Department of Retirement Systems	0	0	0	57,409	62,244	4,835
State Investment Board	0	0	0	35,967	42,452	6,485
Innovate Washington	0	0	0	3,383	0	-3,383
Department of Revenue	212,976	239,909	26,933	251,138	285,139	34,001
Board of Tax Appeals	2,386	2,555	169	2,386	2,555	169
Minority & Women's Business Enterp	0	0	0	3,999	4,730	731
Office of Insurance Commissioner	527	527	0	55,336	59,514	4,178
Consolidated Technology Services	0	1,450	1,450	230,086	353,968	123,882
State Board of Accountancy	0	0	0	2,680	6,095	3,415
Forensic Investigations Council	0	0	0	498	500	2
Dept of Enterprise Services	9,662	6,459	-3,203	452,787	326,294	-126,493
Washington Horse Racing Commission	0	0	0	5,608	5,826	218
Liquor and Cannabis Board	0	0	0	70,894	82,925	12,031
Utilities and Transportation Comm	0	176	176	53,273	65,478	12,205
Board for Volunteer Firefighters	0	0	0	959	1,013	54
Military Department	3,473	6,803	3,330	313,133	303,233	-9,900
Public Employment Relations Comm	4,049	3,789	-260	7,889	8,509	620
LEOFF 2 Retirement Board	0	0	0	2,257	2,350	93
Archaeology & Historic Preservation	2,528	2,753	225	4,795	5,316	521
Total Governmental Operations	**464,511**	**510,107**	**45,596**	**3,571,638**	**3,792,924**	**221,286**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

HUMAN SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
WA State Health Care Authority	4,306,730	3,883,404	-423,326	13,841,325	16,723,288	2,881,963
Human Rights Commission	4,083	4,168	85	6,254	6,476	222
Bd of Industrial Insurance Appeals	0	0	0	39,366	41,724	2,358
Criminal Justice Training Comm	29,980	35,870	5,890	44,329	49,067	4,738
Department of Labor and Industries	34,769	33,971	-798	660,163	704,104	43,941
Department of Health	120,317	116,806	-3,511	1,045,798	1,122,550	76,752
Department of Veterans' Affairs	14,879	16,058	1,179	119,089	135,268	16,179
Department of Corrections	1,704,238	1,857,764	153,526	1,724,627	1,871,417	146,790
Dept of Services for the Blind	4,406	4,587	181	27,323	29,783	2,460
Employment Security Department	0	0	0	620,049	649,860	29,811
Total Other Human Services	**6,219,402**	**5,952,628**	**-266,774**	**18,128,323**	**21,333,537**	**3,205,214**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
Children and Family Services	610,179	667,953	57,774	1,116,829	1,196,657	79,828
Juvenile Rehabilitation	177,568	183,432	5,864	186,390	191,878	5,488
Mental Health	957,536	1,063,347	105,811	1,979,844	2,287,636	307,792
Developmental Disabilities	1,113,337	1,259,757	146,420	2,154,725	2,535,727	381,002
Long-Term Care	1,774,929	1,928,998	154,069	3,824,284	4,476,033	651,749
Economic Services Administration	735,696	854,197	118,501	2,049,018	2,128,441	79,423
Alcohol & Substance Abuse	132,007	129,660	-2,347	453,906	631,281	177,375
Vocational Rehabilitation	27,528	26,320	-1,208	126,925	125,571	-1,354
Administration/Support Svcs	58,489	66,335	7,846	96,309	105,271	8,962
Special Commitment Center	74,306	74,946	640	74,306	74,946	640
Payments to Other Agencies	130,142	126,206	-3,936	186,901	179,444	-7,457
Total DSHS	**5,791,717**	**6,381,151**	**589,434**	**12,249,437**	**13,932,885**	**1,683,448**
Total Human Services	**12,011,119**	**12,333,779**	**322,660**	**30,377,760**	**35,266,422**	**4,888,662**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

NATURAL RESOURCES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
Columbia River Gorge Commission	887	929	42	1,789	1,856	67
Department of Ecology	51,016	49,489	-1,527	460,273	475,200	14,927
WA Pollution Liab Insurance Program	0	0	0	1,594	1,866	272
State Parks and Recreation Comm	8,663	21,053	12,390	131,080	156,347	25,267
Rec and Conservation Funding Board	1,734	1,718	-16	10,201	10,174	-27
Environ & Land Use Hearings Office	4,239	4,287	48	4,239	4,287	48
State Conservation Commission	13,489	13,585	96	19,543	24,486	4,943
Dept of Fish and Wildlife	60,925	74,181	13,256	384,870	403,339	18,469
Puget Sound Partnership	4,824	4,657	-167	22,659	17,362	-5,297
Department of Natural Resources	93,305	106,732	13,427	502,001	449,410	-52,591
Department of Agriculture	31,126	32,242	1,116	153,756	168,716	14,960
Total Natural Resources	**270,208**	**308,873**	**38,665**	**1,692,005**	**1,713,043**	**21,038**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

TRANSPORTATION

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
Washington State Patrol	67,421	77,949	10,528	152,319	149,192	-3,127
Department of Licensing	2,450	2,663	213	42,220	46,167	3,947
Total Transportation	**69,871**	**80,612**	**10,741**	**194,539**	**195,359**	**820**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
OSPI & Statewide Programs	54,296	77,072	22,776	135,723	157,910	22,187
General Apportionment	11,368,324	13,242,915	1,874,591	11,368,324	13,242,915	1,874,591
Pupil Transportation	810,419	927,123	116,704	810,419	927,123	116,704
School Food Services	14,222	14,222	0	672,560	685,566	13,006
Special Education	1,475,976	1,733,950	257,974	1,952,098	2,210,489	258,391
Educational Service Districts	16,226	16,424	198	16,226	16,424	198
Levy Equalization	656,787	742,844	86,057	656,787	742,844	86,057
Elementary/Secondary School Improv	0	0	0	4,302	4,302	0
Institutional Education	27,599	27,970	371	27,599	27,970	371
Ed of Highly Capable Students	19,346	20,191	845	19,346	20,191	845
Education Reform	234,312	243,925	9,613	458,420	340,826	-117,594
Transitional Bilingual Instruction	207,584	239,926	32,342	279,700	312,133	32,433
Learning Assistance Program (LAP)	412,156	450,930	38,774	862,690	899,398	36,708
Compensation Adjustments	0	418,512	418,512	0	418,512	418,512
Washington Charter School Comm	1,025	826	-199	1,054	1,563	509
Total Public Schools	**15,298,272**	**18,156,830**	**2,858,558**	**17,265,248**	**20,008,166**	**2,742,918**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

EDUCATION

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
Student Achievement Council	724,905	724,868	-37	766,697	760,655	-6,042
University of Washington	498,668	619,572	120,904	6,327,707	7,534,038	1,206,331
Washington State University	343,906	419,891	75,985	1,399,840	1,530,269	130,429
Eastern Washington University	77,852	102,699	24,847	289,925	320,363	30,438
Central Washington University	78,048	103,428	25,380	307,422	321,147	13,725
The Evergreen State College	41,031	52,779	11,748	130,067	137,671	7,604
Western Washington University	100,421	133,111	32,690	349,234	365,714	16,480
Community/Technical College System	1,226,018	1,368,786	142,768	2,580,942	2,857,123	276,181
Total Higher Education	**3,090,849**	**3,525,134**	**434,285**	**12,151,834**	**13,826,980**	**1,675,146**
State School for the Blind	11,828	12,944	1,116	15,873	17,162	1,289
Childhood Deafness & Hearing Loss	17,639	20,039	2,400	18,207	21,145	2,938
Workforce Trng & Educ Coord Board	2,980	3,314	334	58,337	59,049	712
Department of Early Learning	163,719	301,079	137,360	488,221	621,955	133,734
Washington State Arts Commission	2,198	2,266	68	4,298	4,384	86
Washington State Historical Society	4,263	4,764	501	6,560	7,154	594
East Wash State Historical Society	3,181	3,522	341	5,710	6,097	387
Total Other Education	**205,808**	**347,928**	**142,120**	**597,206**	**736,946**	**139,740**
Total Education	**18,594,929**	**22,029,892**	**3,434,963**	**30,014,288**	**34,572,092**	**4,557,804**

Washington State Omnibus Operating Budget

2013-15 Budget vs. 2015-17 Budget

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015-17	Difference	2013-15	2015-17	Difference
Bond Retirement and Interest	1,833,329	2,232,970	399,641	2,228,887	2,427,080	198,193
Special Approps to the Governor	129,257	160,418	31,161	141,804	223,375	81,571
Sundry Claims	2,710	0	-2,710	2,710	0	-2,710
State Employee Compensation Adjust	0	0	0	0	32,559	32,559
Contributions to Retirement Systems	139,500	141,600	2,100	139,500	153,600	14,100
Total Special Appropriations	**2,104,796**	**2,534,988**	**430,192**	**2,512,901**	**2,836,614**	**323,713**

LEGISLATIVE

The Joint Legislative Systems committee is provided a total of $1.47 million to upgrade legislative equipment. Upgrades include transitioning from personal computers to more mobile computing equipment and replacing the distributed antenna system, which provides augmented cellular reception in legislative buildings.

The Office of Legislative Support Services is provided $50,000 to resume the legislative oral history program, which documents the history of the Legislature by recording the experiences of legislators and others involved in the legislative process.

Judicial Branch Revenue

Under RCW 2.68.040(1)(a) and 46.63.110(3), the Washington State Supreme Court may provide by rule for an increase of monetary fines, penalties and assessments for support of the Judicial Information Systems (JIS) Account. Exercising this authority, the Court increased the traffic infraction base penalty schedule and the JIS Account assessment, each by $6, effective July 1, 2015. As a result, revenue to the JIS Account is estimated to increase $8.5 million in the 2015-2017 biennium and $11.3 million each biennium thereafter. Revenue to the state general fund is also estimated to increase $4.6 million in the 2015-2017 biennium and $6.2 million each biennium thereafter.

Administrative Office of the Courts

Funding of $27.2 million from the Judicial Information Systems (JIS) Account is provided for the following information technology expenditures:

- One-time funding of $12.6 million to continue implementation of a new commercial off-the-shelf case management system for the superior courts.
- One-time funding of $3.8 million for the preparation, development, and implementation of the new case management system for courts of limited jurisdiction (CLJ-CMS). This project may begin January 1, 2016.
- One-time funding of $6.8 million from the JIS Account and $1.75 million from the General Fund-State for the expansion, development, and implementation of the information networking hub (INH) to support the CLJ-CSM.
- One-time funding of $1.85 million to replace computers at local courts and state judicial agencies.
- One-time funding of $1.3 million for software upgrades to replace computer data center equipment including servers, routers, and storage system upgrades.
- On-going funding of $580,000 for JIS maintenance costs.
- One-time funding of $313,000 to continue the implementation of the new commercial off-the-shelf (COTS) case management system for the appellate courts. These funds are shifted from the 2013-15 biennium.

Funding for grants distributed to county clerks for collecting legal financial obligations will be dispersed directly to counties through the State Treasurer's Office rather than through the Administrative Office of the Courts.

Office of Public Defense

The Parents for Parents Program is a peer mentoring program for parents in dependency proceedings that was first established at the Department of Social and Health Services. Pursuant to Chapter 117, Laws of 2015 (2SSB 5486), the program will reside at the Office of Public Defense and funding is provided to maintain the current programs in Grays Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston/Mason counties and expand services in three locations. Funds are also provided for the first stage of an evaluation to determine if the Parents for Parents Program can be considered evidence-based.

Additional funding, $1.8 million General Fund-State, is provided for the Office's Public Defense Improvement program under Chapter 10.101 RCW, which provides grants to counties and cities for the purpose of improving trial court public defense services

Office of Civil Legal Aid

An additional $997,000 is provided for the Child Dependency Representation Program. The program began in 2014 with the passage of Chapter 108, Laws of 2014 (E2SSB 6126), which requires a court to appoint an attorney for a child in a dependency proceeding six months after granting a petition to terminate the parent and child relationship and when there is no remaining parent with parental rights. With the additional funds, it is estimated that counties will no longer be required to pay a portion of the cost to provide legal services to eligible children. To manage within appropriated amounts, the Office is directed to implement the program using attorneys under state contracts similar to the Parents Representation Program at the Office of Public Defense.

GOVERNMENTAL OPERATIONS

Department of Commerce

The Department of Commerce (Commerce) administers a variety of state programs focused on enhancing and promoting sustainable community and economic vitality in Washington.

Enhancements were made to homeless programs focusing on youth. Chapter 69, Laws of 2015 (2SSB 5404) created the Office of Homeless Youth Prevention and Protection Programs (OHYPPP) within Commerce. $11.8 million for secure and semi-secure crisis residential centers, HOPE beds, and outreach to street youth programs is transferred to the OHYPPP from the Department of Social and Health Services. $867,000 is provided to the OHYPPP to manage these programs, provide policy direction, perform data collection, and perform other activities to improve services to the state's homeless youth population. An additional $1 million is provided to the Washington Youth and Families Fund for grants to fund supportive services in conjunction with housing to address underlying causes of youth and family homelessness.

Other enhancements include:

- $1.7 million to continue the Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program. Chapter 65, Laws of 2015 (HB 1090) extended the program until 2020. These funds are generated from surcharges on Uniform Commercial Code filings, which were increased by the legislation allowing the program to expand into Snohomish County.
- $1.1 million for the Agricultural Labor Skills and Safety Program created under Chapter 68, Laws of 2015 (SHB 1127). $1 million of the funds will be provided to a community-based organization to program health and safety training to agricultural workers. The grant program expires July 1, 2018.
- $524,000 to implement Chapter 296, Laws of 2015 (ESSB 5826), which creates the Washington Small Business Retirement Marketplace Program in Commerce. Commerce will contract with a private entity to connect small businesses with an array of private retirement plan options for employers and their employees to access.
- $176,000 is provided to Commerce to implement legislation addressing human trafficking. Funds will be used to staff the Washington State Task Force on Human Trafficking created by Chapter 273, Laws of 2015 (ESSB 5884) and to operate an information portal to coordinate statewide efforts to combat the trafficking of persons. Funds are also provided to develop a training program for state criminal justice personal on the state's human trafficking laws pursuant to Chapter 101, Laws of 2015 (SSB 5933).

Reductions to Commerce programs include the elimination of grants to counties and cities for costs related to aerospace and other manufacturing facility permitting activities ($2.5 million) and grants for state drug task forces ($1.3 million).

Information Technology Agencies

Chapter 1, Laws of 2015, 3rd sp. s (2SSB 5315) merges certain information technology functions of the Department of Enterprise Services (DES) and the Office of the Chief Information Officer (OCIO) into the Consolidated Technology Services agency (CTS). The reorganization is intended to improve and streamline information technology project oversight, policies and delivery. The reorganization also results in $2.4 million in administrative savings.

The OCIO is provided with $1.45 million to develop and oversee a statewide strategy for time capture, payroll and payment, eligibility and authorization processes for public assistance programs. $1.6 million is also provided to the OCIO to continue development of the Washington Business One-Stop Portal.

Liquor & Cannabis Board

Funding is provided for the implementation of Chapter 70, Laws of 2015, Partial Veto, (2SSB 5052) which addresses the medical marijuana industry. Funds are also provided to implement Chapter 4, Laws of 2015, 2nd sp. s. (2E2SHB 2136), which makes changes to the taxation of marijuana and other market reforms. The Liquor & Cannabis Board (LCB) will conduct additional rulemaking, update information technology, and implement licensing activities related to medical and recreational marijuana production, distribution, and sales. Expenditure authority from the Dedicated Marijuana Account is increased by $5 million to reflect these costs.

Additionally, expenditure authority from the Liquor Revolving Fund is increased by $2.6 million on an on-going basis to fund twelve additional enforcement officers to reduce the amount of smuggled, contraband, and otherwise untaxed cigarette and tobacco products. With these additional resources for the enforcement of cigarette and other tobacco tax laws, the Department of Revenue is expected to generate an additional $25 million in state and local revenues during the 2015-17 biennium.

Savings of $4.8 million from the Liquor Revolving Account are achieved through the elimination of vacant positions and other administrative efficiencies.

Office of Financial Management

The Office of Financial Management is provided $2 million through a new state agency central service charge for planning and preparation efforts to replace the state's core financial systems. The Office is also provided $13.8 million to pre-pay the debt service for the statewide Time, Leave, and Attendance system (TLA), a project that is discontinued. Administrative efficiencies, eliminating several vacant positions, and removing excess expenditure authority also result in $1.4 million of savings.

State Lottery Commission

In order to generate an additional $12 million of revenue for the Opportunity Pathways Account, which is used to fund higher education, the Lottery is directed to adjust lottery retail sales commissions from an estimated 6.1 percent of sales to 5.1 percent of sales. State lottery advertising expenses are also directed to be reduced by $2 million.

Chapter 31, Laws of 2015 (SSB 5681) authorizes the transfer of State Lottery Account funds to the Gambling Revolving Fund as directed in the omnibus appropriations act. A transfer of $1 million was directed for the support of the Washington State Gambling Commission's regulation and law enforcement programs. Additionally, the legislation directs that any balance of unclaimed prizes in excess of $10 million be transferred to the Washington Opportunity Pathways Account on June 30 of each fiscal year. This results in an estimated $14.8 million transfer during the 2015-17 biennium and each biennium thereafter.

Public Disclosure Commission

Ongoing state general funds of $305,000 are provided to the Public Disclosure Commission to upgrade in-house information technology systems. The Commission will invest in a hosted, cloud-based communications platform and case management system to improve efficiency and customer services.

Office of the Secretary of State

Federal Help America Vote Act (HAVA) funds used to maintain and operate the statewide voter registration database ended in the 2013-15 biennium. Therefore, $3.17 million on-going state general funds are provided to replace the federal funds.

To finance the replacement and upgrade of TVW cameras and other video equipment throughout the Capitol campus, $1.7 million in state general funds is provided to the Secretary of State. Financing costs are expected to be repaid over the next five years.

Additionally, $1.5 million is provided to purchase statewide online access to an Information Technology Academy to allow public access to online courses and learning resources through public libraries.

Revenues to the Washington State Heritage Center Account are anticipated to be lower during the 2015-17 biennium. In response, Chapter 28, Laws of 2015, 3rd sp. s. (HB 2195) increases the surcharge collected by county auditors or recording officers for recording instruments from $2 to $3. This surcharge will generate an estimated $2.9 million, which will be deposited into the Washington State Heritage Center Account to be used to fund State Library programs.

Department of Revenue

Funding is provided for Certificate of Participation (COP) financing to complete the next phase of the replacement of the core tax collection and licensing systems. The Department of Revenue will replace these legacy systems to reduce operational risks and increase available features.

Military Department

An expenditure authority of $5 million is provided from the Enhanced 911 Account to upgrade the current 911 telephone system to accommodate Next Generation 911 technology. Financial assistance will be provided to 16 counties for the replacement of 911 telephone equipment that is at the end of its life and will not be supported by the manufacturer.

To address deficiencies in communications infrastructure for 911 dispatch, $1.9 million in Disaster Response Account funds is provided to Okanogan and Ferry counties on a one-time basis. Funds will be used to replace failing radio dispatching hardware within 911 dispatch centers; build interoperability between each county's dispatch centers such that each can serve as a back up to the other; and build a wireless microwave network for 911 calls, dispatch centers, and first responder radio operations.

Utilities and Transportation Commission

In order to implement reforms in oil by rail safety pursuant to Chapter 274, Laws of 2015 (ESHB 1449), expenditure authority from the Public Service Revolving Account is increased for staffing to increase grade crossing inspections and adopt rules for private grade crossings.

Children and Family Services

The Department of Social and Health Services (DSHS) Children's Administration (CA) administers Child Protective Services (CPS), which responds to reports of child abuse or neglect through investigations or Family Assessment Response (FAR). FAR is an alternative to the investigative response that aims to safely avoid out-of-home placement by providing basic needs and engaging families in services. CA also administers the foster care system for children in out-of-home placements with caregivers and the adoption support program for special needs children adopted from state foster care. Dependent youth with high-level needs may be served through Behavioral Rehabilitative Services (BRS). Additionally, CA contracts for a variety of prevention, intervention, and other services to children and families involved in the child welfare system.

A total of $1.2 billion ($668 million General Fund-State) is provided for services to children and families. This represents a $90 million increase (8.1 percent) in total funds from amounts appropriated in the 2013-15 biennial budget.

A total of $16.7 million ($12.5 million General Fund-State) is provided to fund the mediated legal agreement with the Foster Parents Association of Washington State (FPAWS). Under the agreement, basic foster care maintenance rates are increased from a monthly average of $500 to $649 per child to reflect the estimated costs of the child's shelter and other basic needs.

An increase of $7.3 million total funds ($6.4 million General Fund-State) is provided to support compliance with the Braam Settlement, which established performance outcomes for foster care services; to promote closure of CPS investigations within 90 days; and to expand the CPS FAR pathway to additional CA field offices.

A total of $5.1 million ($3.9 million General Fund-State) is provided to increase BRS vendor rates by 3 percent effective July 1, 2015, and an additional 3 percent effective July 1, 2016.

A total of $5.9 million ($4.2 million General Fund-State) is provided to support and expand Extended Foster Care (EFC). EFC provides monthly maintenance payments and other supports to eligible young adults age 18-21 who were dependent at age 18.

Juvenile Rehabilitation Administration

A total of $191.9 million ($183.4 million General Fund-State) is provided for the Juvenile Rehabilitation Administration (JRA) for treatment and intervention services for juvenile offenders. The JRA system is budgeted to provide incarceration for a monthly average of 494 juvenile felons in residential facilities and supervision to a monthly average of 306 youth on parole. Funding is also provided for grants to county juvenile courts and communities for alternative dispositions, evidence-based treatment, and other prevention and intervention services. The JRA funded level represents an increase of 2.6 percent from the 2013-15 biennium.

The budget achieves savings of $3.3 million by using marijuana tax revenue provided through a memorandum of understanding with the DSHS Division of Behavioral Health and Recovery in lieu of General Fund-State for juvenile offender substance abuse treatment.

Mental Health

Mental health services for those living with severe, chronic, or acute mental illnesses are administered primarily through DSHS. These services include operation of two adult state hospitals that deliver psychiatric treatment to

clients on civil or forensic commitment orders and for the Child Study Treatment Center, which is a small psychiatric inpatient facility for children and adolescents. In addition, DSHS contracts with 11 Regional Support Networks (RSNs) as local administrative entities to coordinate crisis response, community support, and residential and resource management services through a network of community providers. Services for Medicaid-eligible consumers within each RSN are provided through a capitated Prepaid Inpatient Health Plan. Limited services that cannot be reimbursed through the Medicaid program are provided within available state and local resources.

A total of $2.3 billion ($1.1 billion in General Fund-State) is provided for operation of the public mental health system. This reflects an increase in total funds of $427.4 million (23 percent) from the 2013-15 biennium.

- A net increase of $174.9 million in total funding to maintain Medicaid expansion under the Affordable Care Act (ACA) and adjust Medicaid rates to comply with federal requirements for actuarially sound rates. The expansion allowed some low-income individuals that were previously ineligible for Medicaid to enroll in Medicaid effective January 2014.
- An increase of $57.2 million in total funds ($39 million in General Fund-State) is provided in additional resources to reduce psychiatric boarding as required under *D.W. v. DSHS.* This includes $49.6 million for increased community evaluation and treatment beds and $7.6 million for a 30-bed civil commitment ward at Western State Hospital.
- An increase of $40.9 million in total funds ($38.9 million in General Fund-State) is provided in additional resources to meet timely completion of competency evaluation and restoration services for in-custody defendants as required under *Trueblood v. DSHS* and as provided under legislation enacted during the 2015 session. This includes funding for 90 competency restoration beds, 18 staff for improving the timeliness of competency evaluations and other requirements related to implementation of: Chapter 5, Laws of 2015 (SSB 5889), which sets the maximum time limits for competency to stand trial services; and, Chapter 7, Laws of 2015 1st sp.s. (2ESSB 5177), which establishes an Office of Forensic Mental Health within DSHS and allows prosecutors to dismiss charges when competency to stand trial is raised as a defense and refer the defendant for assessment.
- An increase of $23 million in total funds ($14.3 million in General Fund-State) is provided for the implementation of legislation enacted during the 2015 session to improve community mental health services. This includes the following: Chapter 258, Laws of 2015 (E2SSB 5269), which allows for a family member, guardian, or conservator to petition the court for review of a decision to not detain a person under the involuntary treatment act; and, Chapter 250, Laws of 2015 (E2SHB 1450), which provides for involuntary treatment in an outpatient setting.
- An increase of $9.4 million in General Fund-State is provided to improve safety at state hospitals. This funding includes creation of psychiatric intensive care units (PICUs), psychiatric emergency response teams (PERTs), and staff training.
- Savings of $54.3 million in total funds ($37.5 million in General Fund State) are to be achieved by a variety of savings strategies including reducing RSN Medicaid rates, eliminating non-Medicaid funding for former residents of the Program for Adaptive Living Skills, and re-financing community inpatient bed days that were previously paid for with state dollars through a federal waiver.

Aging and Disabilities Services (Developmental Disabilities and Long-Term Care)

Within DSHS, the Aging and Long Term Support Administration administers the Long Term Care (LTC) Program and the Developmental Disabilities Administration administers the Developmental Disabilities (DD) Program. These programs provide long-term supports and services to vulnerable adults and children in residential, community, and in-home settings. While these programs serve two distinct populations, they are both institutionally-based Medicaid entitlement programs with options for home and community services that share some vendors including represented home care workers and adult family homes. The entitlement program in LTC

is the nursing home or skilled nursing facility program. The entitlement program in DD is the state-operated Residential Habilitation Centers (RHCs). Total funding for these two programs combined accounts for 50 percent of the DSHS budget, and is approximately $7.0 billion total ($3.2 billion General Fund-State) in budgeted expenditures for the 2015-17 biennium. This represents an 18.1 percent increase from the 2013-15 funded level, predominately due to the collective bargaining agreement for home care workers.

The 2015-17 operating budget includes the following items (which impact both programs):

- A total of $260 million ($116 million General Fund-State) is provided to fully fund the 2015-17 collective bargaining agreement for individual providers. This includes phased-in changes and increases to the wage scale, increases in health care contributions, increases in the training contribution, an increase in personal time, and a retirement benefit contribution. This includes funds to meet statutory parity requirements for home care agencies.
- A total of $40 million ($17 million General Fund-State) is provided to fully fund the 2015-17 arbitration award for adult family homes. Beginning July 1, 2015, the vendor rate is increased by 5 percent. Beginning July 1, 2016, the vendor rate is increased by 10 percent.
- A total of $16 million General Fund-State is provided to fully restore the portion of Lean management savings distributed to LTC and DD.
- A total of $8 million ($4 million General Fund-State) is provided to increase the vendor rate for assisted living providers by 2.5 percent, beginning July 1, 2015.

The following items from the 2015-17 operating budget are unique to each program and are therefore described separately:

Developmental Disabilities

- A total of $40 million ($20 million General Fund-State) is provided to increase the benchmark rate for supported living providers, group homes, and licensed staff residential providers. Beginning July 1, 2015, the vendor rate is increased by 4 percent. Beginning July 1, 2016, the vendor rate is increased by 8 percent. Funding is also provided to standardize administrative rates and develop an electronic rate setting module in the Comprehensive Assessment Reporting Evaluation System.
- A total of $14 million ($7 million General Fund-State) is provided for additional staff to ensure compliance with Centers for Medicare and Medicaid Services (CMS) requirements for habilitation, nursing care, staff safety, and client safety at the RHCs. Funding is provided for specialized services, such as community access and therapies, required by CMS as a result of Pre-Admission Screening and Resident Review Assessments.
- A total of $4 million ($2 million General Fund-State) is provided to develop short-term community-based respite services across the state for individuals with developmental disabilities as an alternative to using respite services in an institutional setting.

Long Term Care

- A total of $77 million ($7 million in General Fund-State savings) is provided to delay the scheduled rebase on nursing facility payment rates, maximize the safety net assessment for nursing facilities, and implement a new methodology for calculating nursing facility rates.
- A total of $10 million ($5 million General Fund-State) is provided to lower the ratio of case-carrying staff to clients at the Area Agencies on Aging from 1-to-75 to 1-to-70 during the 2015-17 biennium.

Economic Services Administration

The Economic Services Administration (ESA) operates a variety of programs for low-income persons and families. These programs include the federal Supplemental Nutritional Assistance Program (SNAP), the State Food Assistance Program, the Aged, Blind, or Disabled Assistance Program, the WorkFirst/Temporary Assistance for Needy Families (TANF) Program, and assistance to refugees. ESA also determines eligibility for a variety of state assistance programs.

A total of $2.1 billion ($854 million General Fund-State) is provided to ESA for administration of programs and delivery of services. This reflects an increase in total funds of $58.9 million (2.8 percent) from the estimated amount needed to maintain the current level of services and activities.

State general fund savings of $84.4 million are achieved through forecasted caseload reductions in the TANF Program and the Working Connections Child Care (WCCC) Program, reductions in funding for work activities to reflect under-expenditures in those programs, and the use of unexpended federal grant and contingency funds to offset state expenditures. This includes savings assumed in the 2015 supplemental operating budget as well as the 2015-17 operating budget.

Other major policy changes for the 2015-17 biennium include:

- The monthly grant for recipients of TANF is increased by 9 percent ($30.6 million General Fund-State).
- In accordance with Chapter 7, Laws of 2015 (2E2SHB 1491), eligibility periods for the WCCC program are increased to 12 months effective July 2016 ($22.1 million General Fund-State).
- A 2 percent base rate increase is provided for WCCC providers ($9.7 million General Fund-State).
- The monthly benefit for the State Food Assistance Program, which provides assistance to legal immigrants, is increased to 100 percent of the federal SNAP benefit level ($9.6 million General Fund-State).
- Funding for incentive payments that were never implemented to TANF parents who participate in mandatory WorkFirst activities is eliminated (savings of $15.9 million General Fund-State.)
- 90 FTEs at local community service offices are eliminated as a result of reduced ability to claim federal Medicaid and other policy steps (savings of $15.6 million total funds.)
- Funding is reduced to reflect under-expenditures in incapacity exams and the Diversion Cash Assistance program (savings of $7.6 million General Fund-State).
- Funding for the Washington Telephone Assistance Program which provides subsidized telephone assistance and community voicemail for eligible public assistance recipients is eliminated (savings of $4.1 million General Fund-State).

Alcohol and Substance Abuse

The Alcohol and Substance Abuse Program coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DSHS contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Effective April 1, 2016, most outpatient and residential services will shift from fee-for-service contracts and grants to managed-care contracts with Behavioral Health Organizations. DSHS also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

A total of $631.3 million ($129.7 million General Fund-State) is provided for alcohol and substance abuse services. This reflects an increase in total funds of $180.9 million (40 percent) from the 2013-15 biennium. Major budget increases for the program include:

- An increase of $110.2 million ($13.9 million General Fund-State) to maintain Medicaid expansion under the ACA and adjust Medicaid rates to comply with federal managed care requirements for actuarially sound rates.
- An increase of $14.2 million ($12.3 million Dedicated Marijuana-State) for new services, research, and technical assistance for the prevention and treatment of alcohol and substance use disorders.
- An increase of $6.8 million ($2.3 million General Fund-State) to increase Medicaid rates for a variety of treatment providers.
- An increase of $3.1 million in total funds ($1.3 million in General Fund-State) for the increased substance use disorder treatment costs associated with implementation of Chapter 250, Laws of 2015 (E2SHB 1450), which provides for involuntary mental health treatment in an outpatient setting.

In addition, savings of $16.5 million in General Fund-State will be achieved by utilizing some revenues from excise tax and fees on the sale of marijuana for substance use disorder treatment services previously funded through the general fund.

OTHER HUMAN SERVICES

Low-Income Medical Assistance

A total of $16.5 billion is provided to pay for medical and dental services for an average of 1.9 million low-income children and adults each month by the end of the 2015-17 biennium. This is a $3.5 billion (27 percent) increase from the funding levels provided in the 2013-15 biennium for these services. Of the $16.5 billion, $4.6 billion are state funds; $11.6 billion are federal funds, primarily from Medicaid; and the rest are local government funds provided for purposes of collecting Medicaid matching funds. Of the $4.6 billion in state funds, $3.9 billion is from the state general fund and $690 million is from the Hospital Safety Net Assessment Fund created in 2010. The state general fund spending is $431 million (10 percent) less than the 2013-15 biennium.

Washington exercised the option under the federal Affordable Care Act (ACA) to expand the Medicaid program to cover adults under 65 years of age with incomes at or below 133 percent of the federal poverty level (FPL) effective January 1, 2014. This resulted in an increase to the number of people covered by the state Medicaid program by approximately 550,000 since January 2014. This is a 42 percent increase over forecasted levels for 2015 without the Medicaid expansion.

The Hospital Safety Net Assessment (HSNA) Program, set to expire at the end of fiscal year 2017, was established to generate additional state and federal funding to support payments to hospitals for Medicaid services. As provided in Chapter 5, Laws of 2015, 2nd sp.s. (2EHB 2151), the HSNA Program will continue until the end of fiscal year 2019. In addition, the incremental phase-down beginning in fiscal year 2016 was removed, supplemental payments and increased managed care premiums for hospital services were increased, and family medicine and integrated psychiatry residency slots were provided. The state general fund appropriation is reduced by $292 million as a result of these changes.

Department of Corrections

A total of $1.9 billion is provided to the Department of Corrections (DOC) for the operation of prisons and community supervision of offenders for the 2015-17 biennium. The prison system is budgeted to provide monthly average incarceration for 17,681 prison and work release inmates and 717 offenders who have violated the terms of their community supervision. The community supervision program is budgeted to provide supervision to a monthly average of 17,440 offenders who have either received sentencing alternatives or have served their sentences and have been released into the community. The 2015-17 DOC funding level represents an increase of $155.8 million (9.1 percent) from the 2013-15 budget, and an increase of $62.5 million (3.5 percent) from the revised 2015-17 maintenance level.

A total of $15 million is provided to manage increased medical costs within the prison system:

- $12.6 million is provided to use new and more effective drug protocols to treat offenders with Hepatitis C as approved by the Federal Food and Drug Administration; and
- $2.4 million is provided to account for increased costs due to inflation for all other prescription drugs.

A total of $3.4 million is provided to backfill unrealized savings assumed in the 2014 supplemental budget through DOC contract changes with local jails housing offenders that have violated the terms of supervision. The contract changes involved moving away from the practice of fractional billing for offenders serving multiple holds at the same time (local or federal jurisdiction or DOC Secretary Warrant). Though most contracts were successfully changed, the ongoing savings assumed in the 2014 supplemental budget were not fully achieved.

Savings of $1.7 million is achieved through changes to DOC policy on punishment for offender infractions in prison. Currently, offenders can earn "good time" off the end of their sentences based on good behavior while in prison. Offenders can also lose portions of that earned time as punishment for various infractions. With this policy change, DOC will reduce reliance on loss of earned good time as punishment for infractions in favor of more immediate loss of privileges such as visitation rights, television or commissary use, etc. The policy is intended to model similar incentive structures for offenders in prison as Swift and Certain Sanctioning does for those on community supervision.

Savings of $1.7 million is achieved by requiring that offenders serving time on community supervision who are enrolled in Medicaid receive any necessary chemical dependency treatment services through the managed care system overseen by the Department of Social and Health Services, beginning April 1, 2016.

Department of Health

The DOH has a total budget of $1.1 billion ($116.8 million General Fund-State) to provide educational and health care services, administer a variety of health care licensure programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory.

A total of $15 million in Dedicated Marijuana Account funds are provided to DOH for a marijuana and tobacco education and public health program ($14.5 million), and to increase funding for the Washington Poison Center ($500,000).

In addition, one-time savings of $7.1 million are achieved by increasing the use of dedicated funds in lieu of General Fund-State (Fund Balance Utilization, $5.6 million and Drinking Water - Fund Swap, $1.5 million).

Criminal Justice Training Commission

The budget provides $35.9 million from the General Fund-State to the Criminal Justice Training Commission (CJTC) for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs (WASPC). This funding reflects a 13.9 percent increase from the 2013-15 budget. The budget assumes funding for fourteen basic law enforcement academies in fiscal year 2016 and ten academies in fiscal year 2017.

$1.7 million is provided to enhance training for local law enforcement officers:

- $1.2 million pursuant to Chapter 87, Laws of 2015 (2SSB 5311) to implement crisis intervention training for all certified law officers, emphasizing resources and appropriate responses for dealing with individuals in distress due to mental illness or substance abuse. All certified law enforcement officers must be trained by July 1, 2021; and
- $500,000 to provide training to local law enforcement agencies on instilling the "guardian" culture in their agencies.

$858,000 in General Fund-State support is provided for the Internet Crimes Against Children Task Force, which works to identify, arrest, and convict individuals who victimize minors using the Internet, pursuant to Chapter 84, Laws of 2015 (2SSB 5215). This support is in addition to any resources generated for the task force from fines for depicting sexually explicit images of minors under Chapter 279, Laws of 2015 (2SHB 1281).

Land Management

State Parks

The State Parks and Recreation Commission is provided $16.0 million of state general fund for the operating costs of state parks. This amount funds cost increases for current staffing and other operating costs as well as permanently continuing funding that was provided on a one-time basis in the 2013-15 biennium. In addition, $4.4 million of state general fund is provided to increase the numbers of park aides, park rangers, and maintenance mechanics throughout the park system.

Fire Suppression and Geological Hazards

State general fund support of $1.2 million is provided to the Department of Natural Resources (DNR) for increased fire response through additional fire engine crews, specialized helicopter crews, and incident command and business support staff. State general fund of $648,000 is also provided to implement Chapter 182, Laws of 2015 (ESHB 2093), which creates a local wildland fire liaison and Wildland Fire Advisory Committee and requires DNR to coordinate a master list of qualified wildland fire suppression contractors.

DNR is provided $4.6 million to establish a statewide contract for LiDAR, a remote sensing technology used to create high-resolution geological maps, and to increase staffing related to geological hazards.

Oil Transportation

The Department of Ecology (Ecology) is provided $1.0 million from the Oil Spill Prevention Account (OSPA) for activities required by Chapter 274, Laws of 2015 (ESHB 1449) related to railroad oil spill contingency plans and advance notice of transfers of crude oil. A total of $1.4 million is provided from the OSPA to continue work on area-specific oil spill response plans and oil spill risk analysis that began in 2014. A total of $500,000 from the OSPA is provided to conduct and periodically update vessel and rail traffic risk assessments. A total of $1.9 million from the State Toxics Control Account is also provided for oil spill response equipment grants to local governments.

Water Resources and Watershed Protection

Forests and Fish

DNR is provided $5.9 million from the state general fund for research and monitoring projects in the Forest Practices Adaptive Management Program. This funding corresponds with the Forest Practices Habitat Conservation Plan and a 2012 legal settlement agreement, and will inform Forest Practices Board rules related to water quality and fish habitat protection.

Puget Sound

The Washington Department of Fish and Wildlife (WDFW) is provided $1.5 million from the Environmental Legacy Stewardship Account (ELSA) to expand toxics monitoring for several Puget Sound fish species. WDFW is also provided $800,000 from the Aquatic Lands Enhancement Account (ALEA) to continue research on the decline of Puget Sound steelhead.

ALEA funding of $1.0 million is provided to the Puget Sound Partnership to increase monitoring activities for a number of indicators of Puget Sound ecosystem health, including birds, estuaries, and Pacific herring. ELSA funding of $1.0 million is provided to DNR to continue a creosote removal program in the Puget Sound.

Agricultural Lands
The State Conservation Commission is provided $7.6 million from the Public Works Assistance Account to fund the Voluntary Stewardship Program (VSP) in the 26 counties that have opted in to the program but not yet received funding. The VSP was created in 2011 as an alternative means of fulfilling Growth Management Act requirements to protect wetlands and other critical areas on agricultural lands.

Stormwater
Ecology is provided $864,000 from the State Toxics Control Account for the Washington State University Stormwater Center to conduct studies of the sources of toxics in stormwater and stormwater impacts on salmonids.

Emergency Food Programs

An increase of $1.6 million state general fund is provided to the Department of Agriculture for the Emergency Food Assistance Program, which supports the operating budgets of food banks and distribution centers in Washington.

Other Enhancements

In addition to the above enhancements in natural resource agencies, in Special Appropriations $14.0 million was provided for emergency drought funding and $1.0 million was provided for outdoor education grants through the No Child Left Inside program.

Savings and Fund Shifts to Reduce State General Fund Expenditures

In Ecology, $9.6 million of operating expenditures from the Air Quality and the Shorelands and Environmental Assistance programs are shifted from state general fund to the State Toxics Control Account. Continuing a reduction from previous biennia, competitive grants for local government flood hazard reduction projects are reduced by $2.0 million. Funding of $2.0 million to assist local watershed groups with developing watershed plans is eliminated. A total of $736,000 for assisting local governments update Shoreline Management Act regulations is eliminated.

In DNR, $5.4 million of operating expenditures from the Forest Practices Program are shifted from state general fund to the State Toxics Control Account.

In DFW, payments in lieu of taxes made to counties in compensation for lost property taxes from DFW-owned land are funded at 2009 levels, continuing savings of $3.5 million. Funding of $452,000 for managing shellfish harvests is shifted from state general fund to ALEA.

In the Department of Agriculture, $740,000 of spending authority is shifted from state general fund to the Agricultural Local Account as a result of the passage of Chapter 27, Laws of 2015, 3rd sp.s (ESHB 2128), which increased or created a number of fees in the Food Safety Program.

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 Washington State Patrol (WSP) and the Department of Licensing (DOL).

Washington State Patrol

Increases

A total of $6.4 million from the Enhanced 911 Account and the Fingerprint Identification Account are provided for WSP to continue upgrades to the state Criminal History Records System. The system stores and shares criminal justice information within Washington State and with other states, federal agencies, and other countries.

Additionally, $2.8 million is provided to WSP for staff and funding to address the state's backlog in sexual assault examination kits. Chapter 247, Laws of 2015 (SHB 1068) requires law enforcement agencies to submit a request for laboratory examination to the Washington State Patrol Crime Laboratory for prioritization of testing within 30 days of receiving a sexual assault examination kit.

Reductions

General Fund-State funding and staffing levels to WSP are reduced by $2.1 million and thirteen FTEs to reflect management and administrative decisions to eliminate staff vacancies and create savings.

Department of Licensing

The Business and Professions Division (BPD) within the Department of Licensing (DOL) currently uses a paper application and renewal process for professional licenses. BPD will implement a web-based online system to replace its current process. A total of $1.8 million of existing fund balance and revenues from professional license fees in BPD's accounts will be used to fund the licensing system improvements.

PUBLIC SCHOOLS

The Program of Basic Education

Materials, Supplies and Operating Costs

A total of $741.5 million is provided at maintenance level to complete implementation of the materials, supplies, and operating costs (MSOC) component of the prototypical school funding formula, as required under Chapter 236, Laws of 2010 (SHB 2776). The allocation per FTE student is increased from $848.04 in the 2014-15 school year to $1,210.05 in school year 2015-16 and $1,230.62 in school year 2016-17.

Early Elementary Class Size Reductions

Funding in the amount of $350.2 million is provided to reduce class sizes in grades kindergarten through three in all schools, as specified in Chapter 236, Laws of 2010 (SHB 2776), with priority given to the earliest grades and high-poverty elementary schools. Phase-in of the reduced class size follows the cohort of students as they progress through the grades. Beginning in the 2016-17 school year, the Legislature fully implements a reduced class size of 17 students for high poverty kindergarten and first grade schools, one year ahead of the requirement provided by RCW 28A.150.260

All-Day Kindergarten

Funding totaling $179.8 million is provided to complete implementation of state-funded all-day kindergarten by school year 2016-17, one year ahead of the statutory deadline specified under Chapter 236, Laws of 2010 (SHB 2776).

Public School Compensation Allocations

Initiative 732 Cost of Living Adjustment

Funding totaling $231.0 million is provided at maintenance level for cost-of-living adjustments (COLA) for state-funded K-12 employees, as required by Initiative 732 (I-732). These on-going increases are 1.8 percent for the 2015-16 school year and 1.2 percent for the 2016-17 school year.

Additional Salary Increase

Funding totaling $152.3 million is provided for a one-biennium salary increase. For the 2015-16 school year the additional one-biennium increase is 1.2 percent and for the 2016-17 school year the one-biennium increase is 0.6 percent. Combined with the I-732 COLA described above, the total salary allocation increase for the 2015-16 school year is 3.0 percent and for the 2016-17 school year is 1.8 percent, similar to the salary increases provided for other state employees.

Pension Increases

Funding totaling $210.0 million is provided at maintenance level to fund pension rate increases for all state-funded K-12 staff. Employer pension funding rates increased by 2.74 percentage points for certificated staff and 1.77 percentage points for classified staff.

Health Benefits

Funding in the amount of $24.4 million is provided to increase health benefit allocations for certificated instructional, certificated administrative, and classified staff while maintaining the classified health benefit factor. Annual health benefit rates are increased by $144 for certificated staff and by $166 for classified staff.

Other Enhancements to Public Schools

Non-Basic Education Funding to Support Implementation of Chapter 236, Laws of 2010 (SHB 2776)
Funding totaling $7.9 million is provided to support implementation of class size reductions and all-day kindergarten. Funding for the Beginning Educator Support Team is increased by $5 million, providing grants to school districts for an enhanced level of support and professional development for new teachers. Funding for the Washington Kindergarten Inventory of Skills is increased by $2.9 million to expand the program in conjunction with the expansion of state-funded all-day kindergarten.

Support for STEM Programs
Funding totaling $6.4 million is provided to support Science, Technology, Engineering, and Math (STEM) education, including: increased grants for computer science programs and career and technical education programs; professional development for high school math and science teachers; increased funding for the IT Academy; and project-based math and science curriculum.

Enhancements Supporting Secondary Education
In addition to the STEM funding provided above, funding totaling $10.9 million is provided for a variety of other K-12 enhancements in support of secondary education including: college in the high school dual credit opportunities; increased support for Washington state achievers scholarship, higher education readiness program, college bound scholarship outreach, and career and college readiness coaches; preliminary scholastic aptitude test (PSAT) test preparation and support for students in the college bound program; and increased support for building bridges grants for dropout prevention and reengagement activities.

Other Changes

Initiative 1351 Lowering class sizes and increasing school staff
The estimated cost to phase-in the requirements of Initiative 1351 (I-1351), which changed the state's funding requirements for class size and other staffing formulas, was estimated at $2 billion for the 2015-17 biennium. Chapter 38, Laws of 2015, 3rd sp.s. (EHB 2266) delayed the phase-in dates for I-1351 by four years, resulting in savings in the 2015-17 biennium.

HIGHER EDUCATION

Overview

For the 2015-17 biennium, a total of $3.5 billion in state funds (Near General Fund plus Washington Opportunity Pathways Account) is appropriated in support of the higher education system (including financial aid); $2.8 billion (79 percent) of which is appropriated to the public colleges and universities. Compared to the 2013-15 biennium, this represents a $428 million (18.1 percent) increase in state funds to the institutions of higher education and a $427.2 million (13.8 percent) increase in state funds to the higher education system overall.

Tuition Policy

The operating budget is aligned with the tuition reduction specified in the College Affordability Program (Chapter 36, Laws of 2015, 3rd Special Session[2ESSB 5954]) The College Affordability Program requires that all institutions of higher education reduce operating fees by 5 percent from current levels for the 2015-16 academic year. For the 2016-17 academic year, research institutions are required to reduce operating fees by an additional 10 percent, regional institutions are required to reduce operating fees by an additional 15 percent, and community and technical colleges are required to hold operating fees at 2015-16 academic year rates. A total of $158.7 million in state funds is provided to the institutions of higher education to replace the loss of tuition revenue resulting from the reductions specified in the College Affordability Program. Reduced tuition rates allow state financial aid programs to maintain current service levels at a lower cost. A total of $45.3 million is captured as financial aid savings.

Major Increases

Compensation

A total of $110.8 million in state funding is provided to the higher education system to support the collective bargaining agreements approved by the Legislature. A savings of $3.9 million is achieved as a result of lower projected benefit rates.

Computer Science and Engineering Expansion

A total of $9.1 million is provided to the University of Washington ($6 million), Washington State University ($1.6 million) and Western Washington University ($1.5 million) to expand computer science and engineering related programs.

Medical Education

A total of $19.5 million is provided to support medical education. The University of Washington (UW) is provided $9 million for the continued operation of the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) medical school. The funding will allow UW to fund 60 first year students and 20 second year students in fiscal year 2016. For fiscal year 2017, the UW is expected to enroll 60 first year students with the continuation of 60 from the prior year. The Family Practice Medicine Residency Network at the UW is provided $8 million to expand the number of residency slots available in Washington. Additional funding for residencies is made available through the Hospital Safety Net Assessment fee. Washington State University is provided $2.5 million to support the development of a medical school in Spokane.

Degree Completion

A total of $4.5 million is provided to Central Washington University ($1.5 million), Eastern Washington University ($1.5 million), and The Evergreen State Colleges ($1.5 million) for programs and services that lead to increased degree completion outcomes.

Opportunity Scholarship Program
The Opportunity Scholarship Program is open to low- and middle-income students pursuing degrees in high demand fields including: science, technology, engineering, math, and health care. Funding for the program is provided through a combination of private donation and state support. The state is required to match private contributions up to $50 million annually. To meet state match requirements during the 2015-17 biennium, $41.0 million is provided.

Financial Aid Reductions

Financial Aid Program Re-Suspension
Savings are achieved as a result of continuing the 2011-13 suspension of the Future Teachers Conditional Scholarship Program, the Health Professionals Conditional Scholarship Program, Washington Scholars Program, Washington Award for Vocational Excellence Program, and the Small Grant Program (including the Community Scholarship Matching Grant program, and state contributions to the Foster Care Endowment Scholarship Trust Fund) for the 2015-17 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.

OTHER EDUCATION

Department of Early Learning

A total of $621.9 million ($301.1 million General Fund-State and Opportunity Pathways) is provided to the department for developing, implementing, and coordinating early learning programs for children from birth to five years of age. This represents of increase of $151.6 million (32 percent) in total funds and $128.2 million (74 percent) in near General Fund-State and Opportunity Pathways above amounts appropriated in the 2013-15 operating budget.

Chapter 7, Laws of 2015, 3rd Special Session (2E2SHB 1491) expanded the Early Achievers Program and required child care facilities and early learning programs receiving state funds to participate in the Early Achievers Program. The 2015-17 operating budget provides an additional $91.8 million General Fund-State to implement 2E2SHB 1491. This includes $22 million General Fund-State for additional Working Connections Child Care (WCCC) subsidies to support the twelve month WCCC eligibility provisions required in the Early Start Act. Twelve month eligibility will begin on July 1, 2016.

An additional $40.9 million General Fund-State is provided for the Early Childhood Education and Assistance Program (ECEAP), which provides pre-school and wrap-around services to low-income children. These funds will support an additional 1,600 part-day (2.5 hour) ECEAP slots and maintain the 1,359 full day (6 hour) and 567 extended-day (10 hour) slots added in fiscal year 2015. Chapter 7, Laws of 2015, 3rd Special Session (2E2SHB 1491) delayed full statewide implementation of ECEAP from the 2018-19 school year to the 2020-21 school year; and removed the requirement that ECEAP be phased in incrementally.

An increase of $6.5 million General Fund-State is provided for a 2 percent base rate increase for seasonal and homeless child care providers in fiscal year 2017, tiered reimbursement in fiscal year 2016 for child care providers participating in the Early Achievers Program, and other items negotiated as part of the Service Employees International Union (SEIU), local 925 collective bargaining agreement. The funds appropriated to the department represent approximately 37 percent of the total $17.4 million General Fund-State provided in the 2015-17 operating budget for these purposes. The remaining funds are provided to Children and Family Services and the Economic Services Administration both housed within the Department of Social and Health Services.

Other program increases include:

- A $2 million increase for home visiting services provided through the Home Visiting Services Account (HVSA) from the dedicated Marijuana account.
- A $4 million increase for early intervention assessment and services, such as physical and speech therapy is provided through the state general fund.

(Non-Compensation Related Items)

LEAN Management Practices
Savings of $25 million General Fund-State are achieved by agencies implementing additional LEAN management practices and other efficiency steps. Institutions of higher education are excluded from the reduction and efficiency targets. The Office of Financial Management (OFM) must provide progress reports to the fiscal committees of the Legislature at least every six months, beginning January 1, 2016. Additionally, the Office of Chief Information Officer is directed to integrate LEAN principles into all major information technology initiatives.

Information Technology Pool
Funding of $25 million General Fund-State is transferred into the new non-appropriated Information Technology Investment Revolving Fund to be allocated by OFM to state agencies to fund up to 25 information technology projects during the 2015-17 biennium. In order to receive funding, the state agency must submit a technology budget, an investment plan and certifications from the state chief information officer that the project is consistent with state policy and has adequate management and oversight. Additional review and scrutiny is applied to projects that exceed $2 million in total funds or require more than one biennium to complete. In addition, sufficient funding must be reserved to ensure that eleven selected projects are implemented. A document listing projects included in the pool is available on the LEAP website.

Emergency Drought Funding
An appropriation of $14 million General Fund-State is made for fiscal year 2016 into the State Drought Preparedness Account. Funds will be used to support state agencies and local government entities to mitigate the effect of a statewide drought, which was declared by the Governor on May 15, 2015.

Local Government Distribution for Marijuana Enforcement
Chapter 4, Laws of 2015, 2nd sp.s. (2E2SHB 2136) enacted comprehensive reforms to ensure a well-regulated and taxed marijuana market in Washington State. $12 million General Fund-State is provided to local governments for marijuana enforcement to implement these reforms.

Cancer Research Endowment
Chapter 34, 2015, Laws of 2015 3rd sp.s. (ESSB 6096) creates the cancer research endowment authority to make grants to private and public entities for the promotion of cancer research conducted in the state. $5 million in General Fund-State funds is appropriated into the Cancer Research Endowment Fund Match Transfer Account, which will be used to match private donations made to the authority.

No Child Left Inside -
Funding of $1 million General Fund-State is provided for the Outdoor Education and Recreation Grant program in the State Parks and Recreation Commission pursuant to Chapter 245, Laws of 2015 (ESSB 5843). This program, known as "No Child Left Inside," provides grants for public agencies, private nonprofit organizations, after-school programs, and community-based programs that offer outdoor education opportunities to schools that are fully aligned with the state's essential academic learning requirements.

Gambling Commission
A transfer of $1 million from non-appropriated State Lottery Account funds was made into the non-appropriated Gambling Revolving Fund to support the Gambling Commission's regulation and law enforcement programs. The transfer was authorized in Chapter 31, Laws of 2015, 3rd Sp.s. (SSB 5681).

Legal Financial Obligations
Grants to county clerks for collecting legal financial obligations owed to the state and local governments and crime victims totaling $981,000 General Fund-State will no longer be dispersed to counties through the Administrative Office of the Courts, but will instead be distributed directly to local governments.

Extraordinary Criminal Justice Cost
OFM will distribute $246,000 to Jefferson County and $154,000 to Mason County for extraordinary criminal justice costs in aggravated murder cases.

Family Assessment Response
Funding is appropriated into the Child and Family Reinvestment Account to support implementation and maintenance of the Family Assessment Response within the Department of Social and Health Services. The savings due to anticipated foster care caseload reductions have not yet been realized; $6.3 million is provided to continue the program.

Debt Service
From the state general fund, $36.8 million is provided for debt service incurred from issuing new debt to support the 2015-17 biennial capital budget.

Washington State Omnibus Operating Budget

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TOTAL STATE

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Legislative	141,131	118	141,249	155,187	165	155,352
Judicial	242,318	734	243,052	310,711	536	311,247
Governmental Operations	465,513	-1,002	464,511	3,547,233	24,405	3,571,638
Other Human Services	6,208,248	11,154	6,219,402	17,516,415	611,908	18,128,323
DSHS	5,755,558	36,159	5,791,717	12,047,539	201,898	12,249,437
Natural Resources	270,444	-236	270,208	1,603,606	88,399	1,692,005
Transportation	69,349	522	69,871	181,436	13,103	194,539
Public Schools	15,262,882	35,390	15,298,272	17,215,546	49,702	17,265,248
Higher Education	3,098,248	-7,399	3,090,849	12,199,856	-48,022	12,151,834
Other Education	204,565	1,243	205,808	592,735	4,471	597,206
Special Appropriations	2,075,816	28,980	2,104,796	2,240,373	272,528	2,512,901
Statewide Total	**33,794,072**	**105,663**	**33,899,735**	**67,610,637**	**1,219,093**	**68,829,730**

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LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
House of Representatives	61,733	-70	61,663	63,498	-70	63,428
Senate	44,456	-72	44,384	45,970	-72	45,898
Jt Leg Audit & Review Committee	147	0	147	6,452	0	6,452
LEAP Committee	3,430	0	3,430	3,430	0	3,430
Office of the State Actuary	0	276	276	3,527	276	3,803
Office of Legislative Support Svcs	7,378	-4	7,374	7,429	43	7,472
Joint Legislative Systems Comm	16,038	-5	16,033	16,038	-5	16,033
Statute Law Committee	7,949	-7	7,942	8,843	-7	8,836
Total Legislative	**141,131**	**118**	**141,249**	**155,187**	**165**	**155,352**
Supreme Court	13,841	57	13,898	13,841	57	13,898
State Law Library	2,941	27	2,968	2,941	27	2,968
Court of Appeals	31,676	59	31,735	31,676	59	31,735
Commission on Judicial Conduct	2,068	9	2,077	2,068	9	2,077
Administrative Office of the Courts	102,390	192	102,582	165,378	-121	165,257
Office of Public Defense	66,387	390	66,777	70,339	390	70,729
Office of Civil Legal Aid	23,015	0	23,015	24,468	115	24,583
Total Judicial	**242,318**	**734**	**243,052**	**310,711**	**536**	**311,247**
Total Legislative/Judicial	**383,449**	**852**	**384,301**	**465,898**	**701**	**466,599**

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GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Office of the Governor	10,740	-39	10,701	14,740	-39	14,701
Office of the Lieutenant Governor	1,311	-2	1,309	1,406	-2	1,404
Public Disclosure Commission	4,128	-2	4,126	4,128	-2	4,126
Office of the Secretary of State	21,253	-18	21,235	82,190	-904	81,286
Governor's Office of Indian Affairs	499	-1	498	499	-1	498
Asian-Pacific-American Affrs	418	0	418	418	0	418
Office of the State Treasurer	0	0	0	14,872	354	15,226
Office of the State Auditor	1,509	0	1,509	75,773	0	75,773
Comm Salaries for Elected Officials	308	0	308	308	0	308
Office of the Attorney General	21,822	0	21,822	243,892	2,271	246,163
Caseload Forecast Council	2,490	43	2,533	2,490	43	2,533
Dept of Financial Institutions	0	0	0	47,960	0	47,960
Department of Commerce	126,940	-339	126,601	519,801	-339	519,462
Economic & Revenue Forecast Council	1,563	0	1,563	1,613	0	1,613
Office of Financial Management	35,481	-138	35,343	125,264	-138	125,126
Office of Administrative Hearings	0	0	0	38,061	1,163	39,224
State Lottery Commission	0	0	0	810,427	0	810,427
Washington State Gambling Comm	0	0	0	29,969	0	29,969
WA State Comm on Hispanic Affairs	473	0	473	473	0	473
African-American Affairs Comm	471	0	471	471	0	471
Department of Retirement Systems	0	0	0	57,149	260	57,409
State Investment Board	0	0	0	35,967	0	35,967
Innovate Washington	0	0	0	3,383	0	3,383
Department of Revenue	213,626	-650	212,976	252,288	-1,150	251,138
Board of Tax Appeals	2,377	9	2,386	2,377	9	2,386
Minority & Women's Business Enterp	0	0	0	3,999	0	3,999
Office of Insurance Commissioner	527	0	527	55,336	0	55,336
Consolidated Technology Services	0	0	0	230,086	0	230,086
State Board of Accountancy	0	0	0	2,680	0	2,680
Forensic Investigations Council	0	0	0	498	0	498
Dept of Enterprise Services	9,524	138	9,662	452,649	138	452,787
Washington Horse Racing Commission	0	0	0	5,608	0	5,608
WA State Liquor Control Board	0	0	0	66,470	4,424	70,894
Utilities and Transportation Comm	0	0	0	52,553	720	53,273
Board for Volunteer Firefighters	0	0	0	959	0	959
Military Department	3,473	0	3,473	295,532	17,601	313,133
Public Employment Relations Comm	4,051	-2	4,049	7,891	-2	7,889
LEOFF 2 Retirement Board	0	0	0	2,257	0	2,257
Archaeology & Historic Preservation	2,529	-1	2,528	4,796	-1	4,795
Total Governmental Operations	**465,513**	**-1,002**	**464,511**	**3,547,233**	**24,405**	**3,571,638**

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HUMAN SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
WA State Health Care Authority	4,306,730	0	4,306,730	13,171,245	670,080	13,841,325
Human Rights Commission	4,086	-3	4,083	6,257	-3	6,254
Bd of Industrial Insurance Appeals	0	0	0	39,366	0	39,366
Criminal Justice Training Comm	28,949	1,031	29,980	42,534	1,795	44,329
Department of Labor and Industries	34,879	-110	34,769	660,273	-110	660,163
Department of Health	120,661	-344	120,317	1,040,648	5,150	1,045,798
Department of Veterans' Affairs	14,921	-42	14,879	119,131	-42	119,089
Department of Corrections	1,693,615	10,623	1,704,238	1,715,659	8,968	1,724,627
Dept of Services for the Blind	4,407	-1	4,406	27,324	-1	27,323
Employment Security Department	0	0	0	693,978	-73,929	620,049
Total Other Human Services	**6,208,248**	**11,154**	**6,219,402**	**17,516,415**	**611,908**	**18,128,323**

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DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Children and Family Services	595,934	14,245	610,179	1,107,105	9,724	1,116,829
Juvenile Rehabilitation	178,283	-715	177,568	187,105	-715	186,390
Mental Health	941,691	15,845	957,536	1,860,282	119,562	1,979,844
Developmental Disabilities	1,092,395	20,942	1,113,337	2,114,975	39,750	2,154,725
Long-Term Care	1,774,182	747	1,774,929	3,820,127	4,157	3,824,284
Economic Services Administration	746,717	-11,021	735,696	2,023,529	25,489	2,049,018
Alcohol & Substance Abuse	137,793	-5,786	132,007	450,395	3,511	453,906
Vocational Rehabilitation	27,651	-123	27,528	127,048	-123	126,925
Administration/Support Svcs	58,086	403	58,489	95,807	502	96,309
Special Commitment Center	74,288	18	74,306	74,288	18	74,306
Payments to Other Agencies	128,538	1,604	130,142	186,878	23	186,901
Total DSHS	**5,755,558**	**36,159**	**5,791,717**	**12,047,539**	**201,898**	**12,249,437**
Total Human Services	**11,963,806**	**47,313**	**12,011,119**	**29,563,954**	**813,806**	**30,377,760**

Washington State Omnibus Operating Budget

2015 Supplemental Budget

NATURAL RESOURCES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Columbia River Gorge Commission	892	-5	887	1,798	-9	1,789
Department of Ecology	51,007	9	51,016	459,653	620	460,273
WA Pollution Liab Insurance Program	0	0	0	1,594	0	1,594
State Parks and Recreation Comm	8,686	-23	8,663	131,103	-23	131,080
Rec and Conservation Funding Board	1,736	-2	1,734	10,203	-2	10,201
Environ & Land Use Hearings Office	4,361	-122	4,239	4,361	-122	4,239
State Conservation Commission	13,527	-38	13,489	16,878	2,665	19,543
Dept of Fish and Wildlife	60,841	84	60,925	375,484	9,386	384,870
Puget Sound Partnership	4,825	-1	4,824	19,002	3,657	22,659
Department of Natural Resources	93,349	-44	93,305	429,680	72,321	502,001
Department of Agriculture	31,220	-94	31,126	153,850	-94	153,756
Total Natural Resources	**270,444**	**-236**	**270,208**	**1,603,606**	**88,399**	**1,692,005**

Washington State Omnibus Operating Budget

2015 Supplemental Budget

TRANSPORTATION

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Washington State Patrol	66,898	523	67,421	139,235	13,084	152,319
Department of Licensing	2,451	-1	2,450	42,201	19	42,220
Total Transportation	**69,349**	**522**	**69,871**	**181,436**	**13,103**	**194,539**

Washington State Omnibus Operating Budget

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PUBLIC SCHOOLS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
OSPI & Statewide Programs	54,389	-93	54,296	135,816	-93	135,723
General Apportionment	11,365,815	2,509	11,368,324	11,365,815	2,509	11,368,324
Pupil Transportation	794,360	16,059	810,419	794,360	16,059	810,419
School Food Services	14,222	0	14,222	660,560	12,000	672,560
Special Education	1,482,388	-6,412	1,475,976	1,958,510	-6,412	1,952,098
Educational Service Districts	16,245	-19	16,226	16,245	-19	16,226
Levy Equalization	652,326	4,461	656,787	652,326	4,461	656,787
Elementary/Secondary School Improv	0	0	0	4,302	0	4,302
Institutional Education	27,932	-333	27,599	27,932	-333	27,599
Ed of Highly Capable Students	19,224	122	19,346	19,224	122	19,346
Education Reform	217,474	16,838	234,312	439,282	19,138	458,420
Transitional Bilingual Instruction	207,880	-296	207,584	279,996	-296	279,700
Learning Assistance Program (LAP)	409,605	2,551	412,156	860,139	2,551	862,690
Washington Charter School Comm	1,022	3	1,025	1,039	15	1,054
Total Public Schools	**15,262,882**	**35,390**	**15,298,272**	**17,215,546**	**49,702**	**17,265,248**

Washington State Omnibus Operating Budget

2015 Supplemental Budget

EDUCATION

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Student Achievement Council	726,048	-1,143	724,905	767,840	-1,143	766,697
University of Washington	500,533	-1,865	498,668	6,329,572	-1,865	6,327,707
Washington State University	344,968	-1,062	343,906	1,400,902	-1,062	1,399,840
Eastern Washington University	78,135	-283	77,852	296,431	-6,506	289,925
Central Washington University	78,296	-248	78,048	325,070	-17,648	307,422
The Evergreen State College	41,172	-141	41,031	130,208	-141	130,067
Western Washington University	100,757	-336	100,421	366,570	-17,336	349,234
Community/Technical College System	1,228,339	-2,321	1,226,018	2,583,263	-2,321	2,580,942
Total Higher Education	**3,098,248**	**-7,399**	**3,090,849**	**12,199,856**	**-48,022**	**12,151,834**
State School for the Blind	11,727	101	11,828	15,772	101	15,873
Childhood Deafness & Hearing Loss	17,286	353	17,639	17,854	353	18,207
Workforce Trng & Educ Coord Board	2,980	0	2,980	58,337	0	58,337
Department of Early Learning	162,941	778	163,719	484,215	4,006	488,221
Washington State Arts Commission	2,186	12	2,198	4,286	12	4,298
Washington State Historical Society	4,263	0	4,263	6,560	0	6,560
East Wash State Historical Society	3,182	-1	3,181	5,711	-1	5,710
Total Other Education	**204,565**	**1,243**	**205,808**	**592,735**	**4,471**	**597,206**
Total Education	**18,565,695**	**29,234**	**18,594,929**	**30,008,137**	**6,151**	**30,014,288**

Washington State Omnibus Operating Budget

2015 Supplemental Budget

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2013-15	2015 Supp	Rev 2013-15	2013-15	2015 Supp	Rev 2013-15
Bond Retirement and Interest	1,847,916	-14,587	1,833,329	2,012,473	216,414	2,228,887
Special Approps to the Governor	86,167	43,090	129,257	86,167	55,637	141,804
Sundry Claims	233	2,477	2,710	233	2,477	2,710
Contributions to Retirement Systems	141,500	-2,000	139,500	141,500	-2,000	139,500
Total Special Appropriations	**2,075,816**	**28,980**	**2,104,796**	**2,240,373**	**272,528**	**2,512,901**

2015-17 TRANSPORTATION BUDGET OVERVIEW

The "current law" 2015-17 Biennial and 2015 Supplemental Transportation Budget bill, Second Engrossed Substitute House Bill (2ESHB) 1299, provides the resources and authority to continue legislative transportation priorities and to implement several new priorities. The 2015-17 appropriation authority in 2ESHB 1299 is $7.6 billion, with $3.8 billion for capital projects, $2.3 billion for operating programs, and $1.5 billion for debt service. The total amount appropriated is a reduction from the $8.4 billion appropriated in the 2015 supplemental budget for the 2013-15 biennium. This reduction reflects the nearing completion of the Transportation 2003 ("Nickel") and Transportation Partnership Act (TPA) capital programs.

The "new law" spending bill, Second Engrossed Substitute Senate Bill (2ESSB) 5988, is discussed further below under "Connecting Washington Transportation Funding Package."

2013-15 Biennium - 2015 Supplemental Budget

The second supplemental transportation budget provides funding for emergent concerns and reduces the funding authority for certain capital programs in which work has been delayed. Emergent concerns include $2.0 million in extraordinary repair costs for the state ferry vessels and terminals and $1.6 million in financial assistance for unexpected caseload costs in the Ignition Interlock Program. Delays in construction schedules in the Washington State Department of Transportation (WSDOT) Highway Construction program, along with changes in other capital programs, have contributed to a net decrease of about $700 million in spending in the current biennium. Most of this spending is shifted to the 2015-17 biennium.

2015-17 "Current Law" Biennial Budget

Major themes in 2ESHB 1299 for the 2015-17 biennium include completion of significant components of the Nickel and TPA packages, maintaining the existing investments and systems, delivering several new legislative priorities, and looking ahead.

The Nickel and TPA Packages Are Nearing Completion

By the end of the 2015-17 fiscal biennium, much of the Nickel and TPA package construction will be complete. Major highway work anticipated in the biennium under the "current law" budget includes:

- Construction of a new six-lane State Route 520 (SR 520) floating bridge and some of the associated work on the west side of the bridge ($379 million);
- Completion of the SR 99 tunnel replacement for the Alaskan Way Viaduct and completion of design and permitting work on other aspects, including the demolition of the Viaduct ($640 million);
- Commencing construction of the next two miles of the widening of I-90 from the Keechelus Dam to the Stampede Pass interchange vicinity, including the construction of a wildlife overcrossing ($108 million);
- Completion of several projects associated with the US 395/North Spokane Corridor development, including the relocation of the Burlington Northern-Santa Fe (BNSF) mainline from Freya Street to Rowan Street and the grading from Spokane River to Francis Avenue ($36 million); and
- Completion of parts of the Interstate 5 (I-5) high-occupancy vehicle (HOV) lanes in Tacoma, including from M Street to Portland Avenue ($275 million).

By the end of the 2015-17 biennium, only $0.5 billion of the $19 billion TPA and Nickel investment will remain to be spent.

Maintaining Existing Investments and Systems

Significant amounts are allocated in the 2015-17 biennial transportation "current law" budget for the maintenance, preservation, and administration of investments, systems, and programs previously established.

For the Washington State Ferry (WSF) system, $260 million is provided to address various projects, including the completion of the third Olympic Class ferry boat - allowing the state to maintain the existing fleet of Puget Sound ferries at 23 vessels - and continued work on the Seattle and Mukilteo terminal projects. $1 million is added in order to support the WSF reservation system.

Freight rail grant funding of $1.4 million is provided in 2015-17 for seven miles of track upgrade work on the Palouse River and Coulee City railroad track in Spokane County. The project will allow heavier and longer freight trains to service a new grain shipping terminal. The total project is expected to cost $7.3M.

For state highways, about $252 million is provided to repave approximately 2,100 miles of roadway. For bridges, $145 million is provided to start, continue, and/or complete work on about 50 bridges, including painting, deck replacement, column repair, and structural replacement.

To address fish passage barriers, the “current law” budget provides $70 million to begin construction on about 20 culverts, which improves access to about 150 miles of habitat. The funding will allow completion of about 13 culverts during the two-year budget period.

To replace aging fuel and fee administration systems at the Department of Licensing (DOL), the budget provides $27 million for the next phase of the Department's Business and Technology Modernization project regarding vehicle titling and registration software and support, as well as $5 million to complete the installation of a new fuel tax system. An additional $3 million is provided for an updated production system for driver license cards.

For rail investments undertaken as a result of the federal American Reinvestment and Recovery Act (ARRA) in 2009, $369 million is provided to complete work that will allow for two additional Amtrak roundtrips between Seattle and Portland, for increased on-time performance and a 10 minute reduction in travel time.

For transit and other modes, the "current law" budget provides a total of $114 million for special needs transportation grants, rural mobility grants, regional mobility grants, vanpool grants, commute trip reduction grants, and administrative activities. About $28 million is provided for bicycle and pedestrian safety and Safe Routes to Schools grants. The amounts provided for the Regional Mobility Grant program and special needs transit grants reflect increases of $10 million each from 2013-15 levels.

For the Washington State Patrol (WSP), the "current law" budget provides $2 million to rehabilitate the WSP Training Academy's drive course. Funding is provided to continue the Target Zero teams in Spokane and Yakima counties. The agency will use existing appropriation authority to begin a phased-in replacement of 200 evidential breath test instruments statewide.

Implementing New Legislative Priorities

2ESHB 1299 contains a few new initiatives within the "current law" revenue constraints.

For the WSDOT tolling division, the "current law" budget provides $10 million to begin operating the express toll lanes on I-405 between Lynnwood and Bellevue, with tolling expected to commence on the express lanes by fall of 2015. Over $1.9 million is provided to implement SSB 5481, which will improve integration of the Good 2 Go electronic tolling system with the pay by mail system and yield enhanced communication with customers. 2ESHB 1299 also includes provisions that will result in improved web access for customers to manage all of their Good 2 Go accounts and provide flexibility for WSDOT customer service representatives to assist customers with account issues and errors and the ability to waive penalties.

Regarding other WSDOT road programs, additional transit mitigation of $17 million is provided to address delays in the completion of the Alaskan Way Viaduct Replacement Project. In addition, $1.7 million is provided to create and implement a practical design training program for the purpose of achieving functionally equivalent project outcomes with lower-cost approaches. A disadvantaged business enterprise (DBE) engagement position is also continued.

For other WSDOT programs, $1.0 million is provided to allow for WSF operations training initiatives. Funding of $325,000 is provided for the development of one account-based system for customers of both the ferry system and tolling system. Over $2.5 million is provided to the WSDOT Aviation Program for local airport preservation grants.

Regarding compensation and benefit increases, $15 million is provided for salary and wage arbitration awards for the WSP troopers and $12 million for WSF personnel. Other state employee increases were provided for in the omnibus operating budget, ESSB 6052.

Looking Ahead

2ESHB 1299 also includes several studies and evaluations. The Joint Transportation Committee (JTC) is directed to study issues relating to WSP trooper recruitment and retention and must identify associated barriers. The JTC must also study areas of prominent road-rail conflicts and recommend a corridor-based prioritization process for addressing impacts. The Economic Partnerships program at WSDOT is directed to evaluate the potential public-private partnership opportunities for the toll booths on the Tacoma Narrows Bridge. Through the WSDOT Highways and Local Programs program, $500,000 is provided for an analysis of at-grade train crossings alternatives for the City of Edmonds. The Freight Mobility Strategic Investment Board (FMSIB) is provided $250,000 for a study of freight infrastructure needs, including an update of the long-term marine cargo forecast. Finally, the Transportation Commission is provided $300,000 to further evaluate aspects of a potential road usage charge system.

Connecting Washington Transportation Funding Package

In order to provide for significant additional transportation infrastructure improvements and additional investment in programs, the Legislature passed a package of bills in 2015 referred to as the Connecting Washington package. Included were

- several policy bills aimed at improving the delivery of transportation projects and programs and at reducing costs;
- an omnibus transportation revenue bill containing numerous state tax and fee increases, state tax incentive programs, and local revenue options;
- a two-year "new law" spending bill, with references both to a long-term capital plan and to a 16-year commitment to various programmatic initiatives; and
- a bond bill.

The package is estimated to provide a total of $16.3 billion in resources over 16 years for transportation projects and programs.

Project and Program Delivery Improvement and Cost Reduction

The Connecting Washington package included several measures and policies intended to streamline and improve transportation project and program delivery and/or to reduce transportation costs. These include the following:

- 2ESSB 5992, relating to modifying certain requirements for ferry vessel construction. The bill makes a number of changes relating to vessel procurement, including allowing for out-of-state construction under certain conditions; the use of an owner's representative to oversee the contracting process; the requirement that vessel procurement contracts be fixed-price contracts; and the requirement that vessel design meet United States Coast Guard specifications before construction begins.
- 2ESB 5993, relating to public works contracts and projects. The bill raises the cost threshold, from $2 million to $3 million, above which the apprenticeship utilization requirements apply; the increased threshold expires in 2020. The bill also allows contractors an electronic option of completing Department of Labor and Industries wage surveys.

- 2ESSB 5994, relating to permits for state transportation projects. The bill exempts the Washington State Department of Transportation (WSDOT) from certain requirements under the Shoreline Management Act (SMA) for state highway maintenance, repair, replacement activities, and construction if in response to extraordinary circumstances. The bill requires local governments, to the greatest extent practicable, to issue local permit decisions within 90 days for projects of value $500 million or less.
- 2ESB 5995, relating to the transportation system policy goal of mobility. The bill expands the goal to include congestion relief and improved freight mobility.
- 2ESSB 5996, relating to environmental permit requirements. The bill requires WSDOT to continue to use a multiagency permit program for the purposes of environmental permit streamlining. The bill also creates a preference for the removal of local government-owned fish passage barriers as compensatory mitigation on highway projects.
- 2ESSB 5997, regarding transportation project delivery. The bill strongly encourages WSDOT to use design-build contracting on projects with value of $2 million or more. The bill requires a study of WSDOT's implementation of design-build contracting processes and the development of a business plan that incorporates recommendations from the study.
- HB 1219, regarding expedited permitting and contracting for state system bridges that are structurally deficient. The bill exempts such bridges from certain requirements of the State Environmental Policy Act.
- ESHB 2012, concerning the implementation of practical design for state highway projects. The bill encourages the use of practical design engineering in state transportation project development and designates any construction-related savings, relative to costs otherwise incurred under conventional engineering approaches, for a new transportation future funding program to offset costs of highway improvement and preservation projects beginning in fiscal year 2024.
- 2ESSB 5987, concerning transportation revenue. The bill includes an offset to transportation spending of $518 million from the state general fund over a period of 12 years, beginning in fiscal year 2020.

New Transportation Revenue / Resources

The Connecting Washington transportation funding package includes the enactment of 2ESSB 5987, an omnibus transportation revenue bill with a number of state tax and fee increases, state tax incentive programs, and several local revenue options. In conjunction with the new bond authority provided in ESSB 5989, the two bills are expected to provide $16 billion in new resources for transportation purposes over the next sixteen fiscal years.

The principal sources of new revenue in 2ESSB 5987 are an 11.9 cent per gallon fuel tax increase; an increase in passenger vehicle weight fees; and weight fees on trucks. Together, these changes raise over $9 billion over the 16 year period, more than 75 percent of the new revenue (excluding bonds) in the plan.

The fuel tax is increased in two steps: a 7 cent per gallon increase on August 1, 2015, and a 4.9 cent per gallon increase on July 1, 2016. The total state tax rate after the phase-in is 49.4 cents per gallon.

The passenger vehicle weight fee increases take effect on July 1, 2016. Currently, if the vehicle is at or below a weight of 4,000 lbs., the owner is required to pay an annual weight fee of $10; if the vehicle is above 4,000 lbs. but at or below 6,000 lbs., $20; if the vehicle is above 6,000 lbs. but at or below 8,000 lbs., $30. On July 1, 2016, these amounts will be increased by $15, $25, and $35, respectively, to totals of $25, $45, and $65. For passenger vehicles with weights above these classes, the annual fee will be $65 for most vehicles beginning July 2016. On July 1, 2022, owners of all passenger vehicle classes will be required to pay an additional $10 increase annually.

For owners of light trucks, annual fees increase on July 1, 2016 by $15 to $35 annually, depending on weight. An additional annual fee of $10 is assessed beginning July 1, 2022. For owners of heavy trucks, a new freight project fee equal to 15 percent of the existing license fee by weight is required.

The Connecting Washington package includes a $5.3 billion bond bill (ESSB 5989) to allow for the financing of the various transportation capital projects included in the package. For the first time, the transportation bond bill

pledges the repayment of principal and interest both from fuel taxes and certain vehicle-related fees, in addition to the full faith and credit of the state.

The expected revenue by broad source category is shown in the table below both for the fiscal 2015-2017 biennium and for the 16-year transportation package period.

Connecting Washington: Resources (Dollars in millions)		
Resource Category	**2015-17 Fiscal Biennium**	**16 Year Total**
Fuel Tax Increase	549	6,236
Passenger Vehicle Weight Fee	79	1,958
Truck Weight Fee	43	850
Reallocate Existing Funding	96	1,730
General Fund Transfer	-	518
Bonds	-	4,762
Other	-	233
Total	**767**	**16,287**

Planned Expenditures

The Connecting Washington package includes a sixteen year spending plan covering highway improvements; highway preservation; multimodal spending, including projects and programs for public transportation, rail, bicycles and pedestrians, and off-road users; city, county, and other local entity-sponsored projects; the state ferry system; the State Patrol; fish passage culvert modifications. The package includes several tax incentive programs and several local transportation revenue options. The package also covers the expected debt service during the 16 year period on expected bond issues.

State highway improvements constitute the bulk of the planned spending in the Connecting Washington package, with over $8.4 billion allocated for projects across the state. Major projects include:

- $1.875B for the Puget Sound Gateway project, featuring on the south end the construction of a new four lane alignment on SR 167 between I-5 in Tacoma and SR 161 in Puyallup and on the north end the connection of SR 509 south from SeaTac to I-5.
- $1.642B for the SR 520 Seattle Corridor Improvements – West End project, completing corridor improvements between I-5 and the West High Rise.
- $1.225B for the I-405 Renton to Lynnwood project, continuing the widening of the I-405 corridor between Renton and Bellevue, implementing Express Toll Lanes (ETL), and rebuilding impacted interchanges.
- $878.9M for the US 395/North Spokane Corridor, completing the corridor from Francis Avenue to an interim connection with I-90.
- $494M for the I-5 JBLM Corridor Improvements project, implementing southbound hard shoulder running between the Berkeley and Mounts Rd interchanges, reconstructing the Thorne and Berkeley interchanges, and subsequently adding northbound hard shoulder running.
- $426M for the I-90 Snoqualmie Pass – Widen to Easton project, completing the widening from the end of the existing funded projects (MP 62) to Easton.

In addition to the state system facilities, the package provides funding assistance to a number of local projects. Significant allocations are provided to the Duportail Bridge project in Richland; the Covington Connector in Covington; the 228th & Union Pacific Grade Separation in Kent; the Orchard Street Connector in Bellingham; the East-West Corridor Overpass and Bridge in Yakima; and several others. In all, $388 million is provided to help advance these local priorities over the package time frame.

State highway preservation, operations, maintenance, and facilities are emphasized relative to the previous two transportation funding packages. At over $1.4 billion allocated for these purposes, the amount of expected spending for the 16-year time frame is almost double that of the Transportation Partnership Act (TPA) in percentage terms.

The Connecting Washington package includes several multimodal components, the funding for which is show in the table below. Several existing public transportation grant programs receive funding, including the Special Needs, the Regional Mobility, the Rural Mobility, and the Vanpool grant programs. In addition, a number of transit projects receive direct funding assistance, and some funding is allocated for the purpose of transit coordination in the Puget Sound region. The Complete Streets grant program, created in 2011, is funded for the first time. The Safe Routes to Schools and Bicycle and Pedestrian Grant programs, already in place, receive additional funding in the package, and several bicycle and pedestrian projects receive direct assistance. For the Palouse River and Coulee City state-owned railroad, $47 million is set aside for track preservation and maintenance. Another $33 million is allocated for slope stabilization. The Freight Rail Assistance Program (FRAP) is allocated an additional $31 million, and local rail projects receive $63 million in direct assistance. Finally, off-road users will be able to get a full refund of the fuel tax increase, or 11.9 cents per gallon when fully in effect.

Connecting Washington: Multimodal Expenditures
(Dollars in millions)

Projects	Fiscal 2015-17 TR Package Appropriation	16-Year Allocation
Special Needs Transit Grants	6.3	200.0
Rural Mobility Grant Program	3.4	110.0
Regional Mobility Grant Program	6.3	200.0
Vanpool Grant Program	1.0	31.0
Transit Coordination Grants	1.0	5.0
Transit Projects	13.9	111.0
Bike/Ped Grant Program	2.3	75.0
Bike/Ped Projects	9.4	89.0
Safe Routes to School Grant Program	1.8	56.0
Complete Streets Grant Program	3.3	106.0
Rail Slope Improvements	2.0	33.0
PCC Rail Capital	0.3	47.0
Freight Rail Projects (FRAP)	1.0	31.0
Local Rail Projects	9.3	62.6
Cities and Counties Direct Distribution of Multimodal Funds	12.5	200.0
Alternative Fuel Commercial Vehicle Tax Credits	9.5	32.5
Commute Trip Reduction (additional)	2.5	41.0
Electric Vehicle Tax Exemptions	10.0	22.0
Marine/ORV/Snowmobile Fuel Tax Refunds	9.6	106.0
Freight Mobility Strategic Investment Board (FMSIB) Multimodal	1.9	61.5
Total	**103.7**	**1,619.6**

The package, using multimodal funds as the funding source, also continues and creates several tax incentives. Funding is provided to continue the Commute Trip Reduction (CTR) tax credit program, an existing program that allows employers a limited amount of business and occupation tax or public utility tax credit for employee participation in the CTR program. Additional funds are provided to continue the Alternative Fuel Vehicle Sales and Use Tax Exemption, allowing purchasers of certain high-mileage vehicles to buy them tax-free. Finally, a new credit is created against business and occupation tax and public utility tax for the portion of the purchase price of an alternative fuel commercial vehicle.

Other aspects of the state transportation system also receive funding under the package. Additional revenue is directed both to the State Patrol and to the State Ferry operations to address chronic funding imbalances. Additionally, over $300 million in funding is provided to the State Ferry System for a fourth Olympic class vessel and to complete the rehabilitation of the Seattle and Mukilteo terminals. To address fish passage barrier removal needs, $300 million is provided for improved culverts.

The Connecting Washington package establishes an electric vehicle infrastructure bank for the first time. Based on recommendations from a 2014 JTC-led study, an account is set up and funded by an additional $50 fee on electric vehicles and plug-in hybrid vehicles. The purpose of the bank is to provide financial assistance to leverage private investment for the installation of publicly accessible electric vehicle charging stations in Washington.

Local governments receive both direct and indirect funding under the package. Over the 16 year span of the package, cities and counties receive an additional $375 million in direct distributions of fuel taxes and multimodal funds. Cities and counties and other local entities are indirect beneficiaries of additional grant authority provided to the Transportation Improvement Board (TIB), The County Road Administration Board (CRAB), and the Freight Mobility and Strategic Investment Board (FMSIB).

Local Transportation Revenue Options

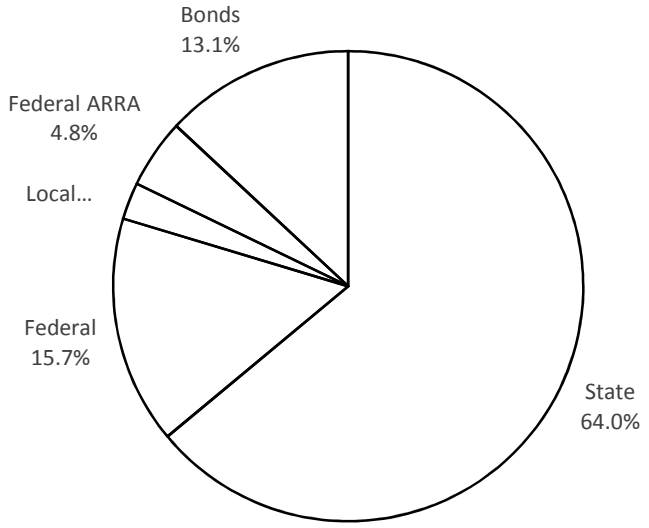
The Connecting Washington package was enacted with several local transportation revenue options. Foremost among these in breadth are the additional options provided to a regional transit authority (RTA). The package authorizes an RTA - Sound Transit is the only such entity in the state currently - to impose a motor vehicle excise tax of up to 0.8 percent of the vehicle value; to increase sales and use taxes by an additional 0.5 percent; and, for the first time, to levy a regular property tax of up to 25 cents per $1000 of assessed valuation. For a transportation benefit district, the governing body is given the authority to impose a vehicle fee of up to $50 without a public vote, subject to several restrictions. Community Transit is authorized to increase its sales and use tax by 0.3 percent, subject to voter approval. Kitsap transit is authorized to establish a passenger-only ferry (POF) district within its boundaries, supported by several revenue options, including a 0.3 percent sales and use tax. The creation of the POF district, along with the supporting revenue measures, must be approved by the voters that live within the boundaries of the proposed district.

Transportation Appropriations in Other Legislation

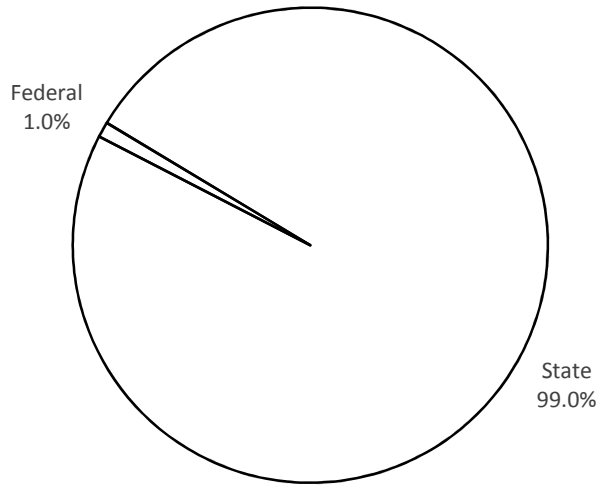
A total of $32.6 million in compensation increases is provided from transportation accounts in the 2015-17 Omnibus Operating Budget (Chapter 4, Laws of 2015, 3rd sp.s. and as referenced in LEAP Transportation Document 713-2015T). In addition, $1.1 million in base salary and benefit costs are also provided in this act from transportation accounts for legislative transportation staff.

2015-17 Washington State Transportation Budget
Current Law and New Law Budgets
Total Appropriated Funds
(Dollars in Thousands)

COMPONENTS BY FUND TYPE
Operating and Capital



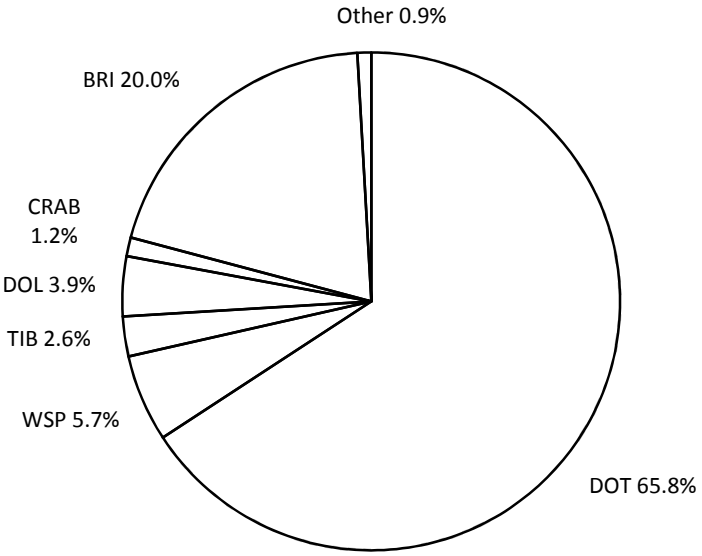
CURRENT LAW BUDGET	
State	4,872,739
Federal	1,195,067
Local	193,083
Federal ARRA	362,641
Bonds	995,156
Total	**7,618,686**



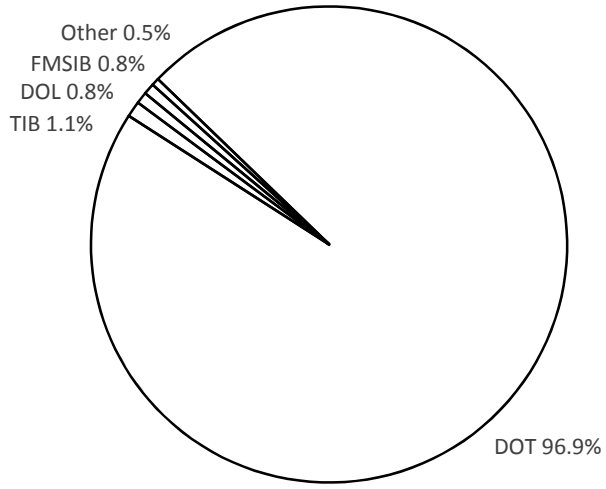
NEW LAW BUDGET	
State	503,197
Federal	5,300
Total	**508,497**

2015-17 Washington State Transportation Budget
Current Law and New Law Budgets
Total Appropriated Funds
(Dollars in Thousands)

MAJOR COMPONENTS BY AGENCY
Operating and Capital



CURRENT LAW BUDGET	
Department of Transportation	5,012,617
Washington State Patrol	431,090
Transportation Improvement Bd	197,298
Department of Licensing	295,373
County Road Administration Bd	92,689
Bond Retirement and Interest	1,521,033
Other Transpo	68,586
Total	**7,618,686**



NEW LAW BUDGET	
Department of Transportation	492,514
Transportation Improvement Bd	5,501
Department of Licensing	4,000
Freight Mobility Strategic Inv Bd	3,844
Other Transpo	2,638
Total	**508,497**

2015-17 Washington State Transportation Budget
Agency Summary
TOTAL OPERATING AND CAPITAL BUDGETS
Total Appropriated Funds
(Dollars in Thousands)

	2ESHB 1299 "Current Law"	2ESSB 5988 "New Law"	Total
Department of Transportation	**5,012,617**	**492,514**	**5,505,131**
Pgm B - Toll Op & Maint-Op	85,028	0	85,028
Pgm C - Information Technology	73,524	0	73,524
Pgm D - Facilities-Operating	27,132	0	27,132
Pgm D - Facilities-Capital	4,481	20,000	24,481
Pgm F - Aviation	12,303	0	12,303
Pgm H - Pgm Delivery Mgmt & Suppt	52,820	0	52,820
Pgm I - Improvements	2,228,329	229,025	2,457,354
Pgm K - Public/Private Part-Op	582	1,000	1,582
Pgm M - Highway Maintenance	410,545	6,250	416,795
Pgm P - Preservation	515,916	79,263	595,179
Pgm Q - Traffic Operations	53,872	3,125	56,997
Pgm Q - Traffic Operations - Cap	12,230	0	12,230
Pgm S - Transportation Management	29,253	750	30,003
Pgm T - Transpo Plan, Data & Resch	49,830	0	49,830
Pgm U - Charges from Other Agys	79,443	0	79,443
Pgm V - Public Transportation	131,542	31,797	163,339
Pgm W - WA State Ferries-Cap	261,510	41,805	303,315
Pgm X - WA State Ferries-Op	483,758	0	483,758
Pgm Y - Rail - Op	58,789	0	58,789
Pgm Y - Rail - Cap	383,930	11,651	395,581
Pgm Z - Local Programs-Operating	11,684	0	11,684
Pgm Z - Local Programs-Capital	46,116	67,848	113,964
Washington State Patrol	**431,090**	**0**	**431,090**
Capital	5,310	0	5,310
Operating	425,780	0	425,780
Department of Licensing	295,373	4,000	299,373
Joint Transportation Committee	1,727	450	2,177
LEAP Committee	563	0	563
Office of Financial Management	2,378	0	2,378
Utilities and Transportation Comm	504	0	504
WA Traffic Safety Commission	31,505	0	31,505
Archaeology & Historic Preservation	476	0	476
County Road Administration Board	92,689	2,188	94,877
Transportation Improvement Board	197,298	5,501	202,799
Transportation Commission	2,564	0	2,564
Freight Mobility Strategic Invest	26,671	3,844	30,515
State Parks and Recreation Comm	986	0	986
Department of Agriculture	1,212	0	1,212
Total Appropriation	**6,097,653**	**508,497**	**6,606,150**
Bond Retirement and Interest	1,521,033	0	1,521,033
Total	**7,618,686**	**508,497**	**8,127,183**

Note: Does not include amounts appropriated from transportation accounts in the 2015-17 Omnibus Operating Budget Act.

2013-15 Revised Washington State Transportation Budget

TOTAL OPERATING AND CAPITAL BUDGET

Total Appropriated Funds

(Dollars In Thousands)

	2013-15 Approp Auth	2015 Supplemental	Revised 2013-15
Department of Transportation	**6,763,684**	**-648,634**	**6,115,050**
Pgm B - Toll Op & Maint-Op	68,155	150	68,305
Pgm C - Information Technology	72,002	-115	71,887
Pgm D - Facilities-Op	26,114	-69	26,045
Pgm D - Facilities-Cap	23,859	-1,000	22,859
Pgm F - Aviation	10,059	-6	10,053
Pgm H - Pgm Delivery Mgmt & Suppt	49,437	-132	49,305
Pgm I - Improvements	3,572,584	-459,788	3,112,796
Pgm K - Public/Private Part-Op	589	-1	588
Pgm M - Highway Maintenance	408,358	-964	407,394
Pgm P - Preservation	718,463	-61,905	656,558
Pgm Q - Traffic Operations - Op	52,355	-176	52,179
Pgm Q - Traffic Operations - Cap	14,267	-2,228	12,039
Pgm S - Transportation Management	28,490	-208	28,282
Pgm T - Transpo Plan, Data & Resch	49,474	-102	49,372
Pgm U - Charges from Other Agys	77,666	-257	77,409
Pgm V - Public Transportation	111,630	-10,012	101,618
Pgm W - WA State Ferries-Cap	379,013	-33,185	345,828
Pgm X - WA State Ferries-Op	483,525	-7,489	476,036
Pgm Y - Rail - Op	46,026	-6	46,020
Pgm Y - Rail - Cap	484,897	-47,407	437,490
Pgm Z - Local Programs-Op	11,239	-25	11,214
Pgm Z - Local Programs-Cap	75,482	-23,709	51,773
Washington State Patrol	404,211	-1,882	402,329
Department of Licensing	260,244	4,574	264,818
Joint Transportation Committee	1,575	-1	1,574
Jt Leg Audit & Review Committee	493	0	493
LEAP Committee	527	-1	526
Office of Financial Management	1,812	-1	1,811
Dept of Enterprise Services	502	0	502
Utilities and Transportation Comm	504	0	504
WA Traffic Safety Commission	45,625	-109	45,516
Archaeology & Historic Preservation	433	-1	432
County Road Administration Board	104,680	-8,308	96,372
Transportation Improvement Board	251,001	-1,006	249,995
Transportation Commission	3,503	-2	3,501
Freight Mobility Strategic Invest	32,420	-14,131	18,289
State Parks and Recreation Comm	986	0	986
Dept of Fish and Wildlife	295	0	295
Department of Agriculture	1,203	-2	1,201
Bond Retirement and Interest	1,291,789	-21,947	1,269,842
Total	**9,165,487**	**-691,451**	**8,474,036**

BOND CAPACITY

A model administered by the State Treasurer's Office is used to calculate the available bond capacity for the current budgeting period and for future biennial planning purposes. The model calculates the actual debt service on outstanding bonds and estimates future debt service based on certain assumptions including revenue growth, interest rates, rate of repayment, rate of bond issuance and other factors.

Based on assumptions adopted by legislative budget writers, the projected bond capacity for the 2015-17 biennium is $2.309 billion. In addition there is $24.2 million in capacity remaining from bonds previously authorized for the Chehalis River Basin Flood and the Columbia River Basin Water Supply programs.

TOTAL APPROPRIATIONS AND REMAINING BOND CAPACITY

The 2015-17 Capital Budget and the 2015 Supplemental Capital Budget were enacted as Chapter 3, Laws of 2015, 3rd sp.s, Partial Veto (2EHB 1115). Legislation authorizing the issuance of bonds to finance the bond-supported portion of the capital budget was enacted as Chapter 37, Laws of 2015, 3rd sp.s (ESHB 1166).

In the 2015-17 Capital Budget, new appropriations total $3.9 billion, including $2.22 billion from new state general obligation bonds, $24 million from previously authorized bonds, and $1.7 billion from a variety of dedicated fees and taxes, federal funds, timber revenue, and the building fee portion of student tuition payments. Included in the $1.7 billion is $225 million in authorizations for state agencies to enter into a variety of alternative financing contracts. Additionally, reappropriations for uncompleted projects approved in prior biennia total $2.9 billion.

In the 2015 Supplemental Capital Budget, new appropriations total $68.6 million in bonds and a decrease of $182.5 million in other funds, for a net decrease to the 2013-15 Capital Budget of $113.9 million.

Approximately $89.4 million in 2015-17 bond capacity is reserved for a 2016 supplemental capital budget.

TRANSFERS AND REDIRECTIONS TO THE OPERATING BUDGET

Approximately $321 million is transferred or redirected from the capital budget to the operating budget for 2015-17.

- $73 million in cash from the Public Works Assistance Account (PWAA) is transferred.
- In addition, continuing the statutory redirections approved by the Legislature in 2012 and 2013, $177 million in solid waste collection, real estate excise, and public utility tax revenues are directed to the operating budget instead of to the PWAA for use in the capital budget.
- The Legislature also continues to require nearly $68 million of higher education facility maintenance to be funded in the capital, rather than the operating budget.
- $3.3 million is transferred from the Energy Freedom Account to the state general fund for fiscal year 2016.

GENERAL GOVERNMENT APPROPRIATIONS

Drinking Water Loans ($173 million)
A pool of $173 million is provided for low-interest loans to publicly- and privately-owned water systems statewide for preconstruction activities, and for designing, financing, and constructing improvements aimed at increasing public health protection and compliance with drinking water regulations.

Economic Development Infrastructure ($10.6 million)
$10.6 million is provided for loans and grants to be competitively awarded by the Community Economic Revitalization Board for projects that construct, repair and acquire local public facilities to encourage business development and expansion in areas seeking economic growth.

Affordable Housing Loans and Grants ($75 million)
$75 million is provided for affordable housing projects under the Housing Trust Fund. Loans and grants will be awarded on a competitive basis to projects statewide and will produce a minimum of 1,900 homes and 500 seasonal beds in the following categories and amounts:

- For people with chronic mental illness, 281 homes;
- For homeless families with children, 529 homes;
- For people with disabilities, developmental disabilities, veterans and others, 400 homes of which at least 80 must be for veterans;
- For homeless youth, 200 homes;
- For farmworkers, 176 homes and 500 seasonal beds;
- For seniors, 200 homes; and,
- For homeownership, 100 homes.

Of the total funding, $2.5 million is set aside for a grant to the Puget Sound Regional Council for a revolving loan fund to support development of affordable housing opportunities related to equitable transit-oriented development in accordance with 2ESSB 5987.

Local and Community Projects ($167 million)
Three competitive grant programs managed by the Department of Commerce receive appropriations totaling $34 million for 47 local capital projects:

- $20.9 million funds 28 social service and multipurpose community center projects under the Building Communities Fund program.
- $7.3 million funds eight youth recreational projects under the Youth Recreational Facilities program.
- $5.8 million funds 11 performing arts, museum and cultural projects under the Building for the Arts program.

An additional $130 million is provided to the Department of Commerce to make grants to local governments and nonprofit organizations statewide for a wide range of 147 community-based projects.

For the Department of Archaeology and Historic Preservation, $2.5 million is provided for the Historic County Courthouse grant program and an additional $450,000 for the Historic Barn Preservation grant program.

Clean Energy, Energy Efficiency, and Weatherization ($87.5 million)
The Department of Commerce will allocate $87.5 million for clean energy technology and energy efficiency grants and low-interest loans. Among the items funded:

- $25 million is provided for energy efficiency and solar grants to be awarded in competitive rounds to local agencies, public higher education institutions, K12 school districts, and state agencies.
- $40 million is provided to the Clean Energy and Energy Freedom Program for loans for industrial, commercial, and residential energy retrofits and community solar installations.
- $5 million is provided to continue the Community Energy Efficiency Program (CEEP) administered by the Washington State University Extension Energy Program.
- $15 million is provided for weatherization of homes occupied by low-income families through the Energy Matchmakers Program.
- $2.5 million is provided for Ultra-Efficient Affordable Housing Demonstration projects.

Thurston County Readiness Center ($42 million)
The Military Department receives funding of $42 million for construction of a new Thurston County Readiness Center that will be used for the Pierce County and Thurston County National Guard.

Community-Based Behavioral Health Beds ($32 million)

- The Department of Commerce will grant $5 million for community-based psychiatric or evaluation and treatment facility beds.
- $2 million will be granted for new community-based substance abuse and mental health facilities.
- $25 million will be granted for increasing beds at specified mental health facilities throughout the state.

Interim House of Representatives Washington Waters Task Force ($75,000)
A House of Representatives Interim Task Force on Washington Waters is created to prepare a report and draft legislation for the 2016 legislative session on recommended state and local funding options for storm water, flood control and water supply infrastructure.

HUMAN SERVICES APPROPRIATIONS

Institution-Based Mental Health Facilities ($57.8 million)
In addition to the $32 million provided for community-based behavioral health beds through the Department of Commerce:

- The Department of Social and Health Services receives $53 million to provide patient safety enhancements and ward renovations at Eastern State Hospital and Western State Hospital, and acute mental health units for juvenile rehabilitation facilities.

- The Department of Corrections receives $4.8 million for planning a new mental health correctional facility at Maple Lane. The new facility will provide mental health treatment and provide up to 700 new beds for medium custody offenders with mental illness.

NATURAL RESOURCES APPROPRIATIONS

Water Quality ($276 million)
The Department of Ecology receives $276 million to competitively award loans and grants statewide under an integrated approach to water quality financing:

- $53 million is for the Storm Water Financial Assistance program through which local governments implement projects that treat polluted storm water in priority areas.
- $203 million is for the Water Pollution Control Revolving program and $20 million is for the Centennial Clean Water program that provide low interest loans and grants, respectively, to public entities to plan, design, acquire, construct, and improve water pollution control facilities and nonpoint pollution control activities.

Water Supply ($61 million)
$61 million is provided to the Department of Ecology to continue programs whose purpose is to use a wide range of methods to increase water supplies to meet the instream flow needs of fish and wildlife and the out-of-stream needs of agriculture and communities.

- $19 million is for continued implementation of the Columbia River Basin Water Supply Development program.
- $30 million is for additional work on projects under the Yakima River Basin Integrated Plan.
- In addition, $12 million is for several programs related to water conservation, irrigation efficiencies, and watershed capital plans.

Floods ($86 million)
$86 million is provided for flood risk reduction and floodplain habitat restoration projects statewide. Of that amount:

- Nearly $36 million is for the Floodplains by Design program, including competitively-awarded grants to local governments, tribes, and non-governmental organizations for a ranked list of 7 projects that will reduce flood risks and promote floodplain ecosystem recovery.
- $50 million is for flood mitigation projects developed by the Governor's Chehalis Basin Work Group that include long-term strategies to reduce flooding and local priority flood protection and habitat restoration projects.

Drought Response ($16 million)
$2 million in state general obligation bonds and $14 million from the State Drought Preparedness Account is provided to protect public health and safety from the effects of the drought and to reduce economic or environmental impacts from water shortages. The Department of Ecology will make grants to public entities such

as cities, public utility districts, and irrigation districts for projects that ensure reliable public water supplies, augment water supplies for farmers, and rescue or preserve fish runs in streams.

Toxics Clean-Up and Prevention ($118 million)
Revenues from the Hazardous Substance Tax deposited in the Local and State Toxics Control Accounts and in the Environmental Legacy Stewardship Account are appropriated to several Department of Ecology programs for toxics clean-up projects and prevention activities:

- $33 million to fund projects that clean up toxic sites in the Puget Sound and eastern Washington.
- $65 million to fund Remedial Action Grants to local governments for cleaning up toxic sites.
- $3 million to fund projects that reduce diesel emissions and wood stove pollution.
- $2 million to fund leaking fuel tank model remedies.

$15 million is also appropriated for coordinated prevention grants from state general obligation bonds.

State Parks
State Parks receives $59 million to expand, improve and preserve state parks facilities throughout the state.

Fish & Wildlife
The Department of Fish and Wildlife receives funding to improve hatchery operations in response to the Wild Fish Conservancy lawsuit. The hatcheries receiving funding are:

- Naselle Hatchery, $275,000
- Marblemount Hatchery, $2.29 million
- Lake Whatcom Hatchery, $1.35 million
- Samish Hatchery, $700,000
- Minter Hatchery, $250,000
- Hoodsport Hatchery, $700,000
- Eells Spring Hatchery, $500,000

In addition, $25 million is provided for major hatchery construction at the Deschutes Hatchery and Watershed Center, the Soos Creek Hatchery, and the Clarks Creek Hatchery.

Recreation, Conservation, Salmon Recovery, and Habitat Protection
The Department of Natural Resources (DNR) and the Recreation and Conservation Office (RCO) receive appropriations aimed at recreational lands and facilities, environmental protection, and conservation, including:

- $55 million to the RCO for Washington Wildlife and Recreation Program competitive grants to support habitat conservation, outdoor recreation, riparian protection, and farmland preservation projects statewide;
- $38.4 million to the RCO for recreation grants to support outdoor recreation projects at local community parks and trails statewide;
- $45 million to the RCO for Puget Sound acquisition/restoration and estuary/salmon restoration projects;

- $16.5 million in state funds and $50 million in federal expenditure authority to the RCO for statewide and Puget Sound-focused recovery efforts for salmon and other species;
- Approximately $40 million to the RCO for grants for youth recreation, boating facilities, non-highway off-road vehicle activities, firearm and archery range facilities, and park, trail, and other outdoor recreational projects;
- $5.3 million to the RCO for competitively selected projects that acquire, restore or improve state-owned aquatic lands and adjacent lands for public purposes, including access and interpretation;
- $11.2 million to the RCO for projects that support the Coastal Restoration initiative;
- $9.8 million for the Trust Land Transfer program within the DNR to transfer common school trust lands with low income-producing potential but high recreational and environmental value to other public agencies for use as natural or wildlife areas, parks, recreation, or open space;
- $10 million for the DNR for mitigating forest hazards through thinning and other measures. The purposes are to reduce risk of forest fires and insect damage on state-owned public lands, and some privately owned lands to mitigate large-scale damage and protect state trust lands.

The State Conservation Commission will receive $8 million for pass-through grants to conservation districts to help private landowners in shellfish growing and non-shellfish growing areas of the state plan and implement practices that benefit water quality. In addition, $5 million in state bonds is provided as match to $23 million in federal resources for the Regional Conservation Partnership Program.

Animal Disease Traceability
$249,000 is reappropriated to the Department of Agriculture to work with industry partners to enhance development of the in-state animal disease traceability system.

Private Forest and Agricultural Lands
$3.5 million in funding is provided to the DNR for the Forest Riparian Easement Program and $5 million is provided to the RCO for the Family Forest Fish Passage Program to continue to assist family forest landowners with the financial and regulatory impacts of Forest and Fish legislation enacted in 1999. The funds will be used, respectively, to purchase 50-year conservation easements along riparian areas from family forest landowners and to repair or remove fish passage barriers on forest road crossings over streams.

HIGHER EDUCATION APPROPRIATIONS

The 2015-17 Capital Budget includes $918 million in total appropriations and alternative financing authority for higher education facilities, including $540 million in state general obligation bonds. Of the total spending authority, $368 million is provided for the community and technical college system and $550 million for four-year institutions.

Funding is provided for a variety of major projects, including:

- $32.5 million for the new construction of a Computer Science & Engineering building at the University of Washington (UW);
- $26 million for the replacement of the Burke Museum at the UW;

- $30.3 million for renovation of historic Troy Hall at the Washington State University (WSU);
- $54.6 million for new construction of the WSU - Everett University Center;
- $56 million for construction of the Samuelson Communication and Technology Center at Central Washington University;
- $16.3 million for the renovation of the lecture hall at The Evergreen State College (TESC);
- $12.5 million for acquiring the facility currently housing the Tacoma Campus programs at TESC. This project is funded with alternative financing;
- $70 million for renovating the Carver Academic facility at Western Washington University. $6 million is funded with alternative financing;
- $46.5 million for new construction of the College Instruction Center at the Olympic College;
- $37 million for the Student Services building at Centralia Community College. $5 million is funded with alternative financing;
- $14.5 million for the Social Science Center at the Columbia Basin College;
- $23.8 million for the Allied Health and Early Childhood Development Center at Peninsula College;
- $28.2 million for replacing the Cascade Court facility at the South Seattle Community College; and
- $15.3 million for renovating the Automotive Complex at the Renton Technical College.

Additionally, $2 million is provided for capital improvements, infrastructure, and equipment at four-year institutions to support the research, development, and deployment efforts of earth abundant materials for the Joint Center for Deployment and Research in Earth Abundant Materials. The funding will be administered by the Washington State University in collaboration with the University of Washington.

K-12 EDUCATION APPROPRIATIONS

School Construction Assistance Program ($638.5 million)
A total of $611 million is appropriated for K-12 School Construction Assistance Program (SCAP) grants from the following sources: $302 million from state general obligation bonds and $309 million from the Common School Construction Account (CSCA). The CSCA receives revenue from timber sales, leases, and other earnings from state trust lands, as well as the timber value of lands funded in the Trust Land Transfer Program, and $3 million in federal grants.

Additionally, a total of $27.5 million is appropriated as grants to provide the local contribution to participate in the SCAP at the state's vocational skills centers; science, technology, engineering and math (STEM) schools; and distressed school projects including:

- $10 million for Seattle Public Schools for renovation of Magnolia Elementary and Hughes Elementary schools;
- $5 million for replacement of the cafeteria at the Marysville-Pilchuck High School; and
- $12.5 million for competitive local assistance grants for STEM labs and classrooms.

K-3 Class-size Reduction Grants ($200 million)
$200 million is appropriated for a competitive grant program for public school facilities needed to support state-funded class size reduction efforts in kindergarten through third grades, as well as classrooms needed to provide all-day kindergarten. Of this amount, $10 million is provided solely for Seattle Public Schools.

Skills Centers ($30.3 million)

- $19.4 million for the Puget Sound Skills Center to construct a new health sciences building in SeaTac;
- $8.2 million for modernizing the NEWTECH building in Spokane to support STEM-related programs;
- $1.7 million for Tri-Tech Skills Center in Kennewick through the SCAP program to repurpose and expand a commercial building for educational use;
- $990,000 for the Spokane Valley Technical Skills Center through the SCAP program to construct five science classrooms.

Other K-12 Capital Items ($11.6 million)

- $1.6 million is provided to the Washington State University's Extension Energy Office to complete the data collection for the inventory and condition of schools system;
- $5 million is provided for renovation, infrastructure, and equipment purchases, such as water bottle filling stations, school nutrition equipment, fitness playground equipment, and greenhouse and garden equipment, to provide healthier options for children;
- $5 million is provided through the Office of Financial Management for emergency repair and renovation grants to address unforeseen health and safety needs at public school facilities.

Balance Sheet

2015-17 Capital Budget and 2015 Supplemental Capital Budget

Excludes Alternatively-Financed Projects*

(Dollars in Thousands)

2013-15 Capital Budget	Debt Limit Bonds	Other Funds	Total Funds
New Appropriations			
2013-15 and 2013 Supplemental Capital Budget New Appropriations[1]	$2,018,452	$1,586,513	$3,604,965
November 2013 Capital Budget New Appropriations[2]	$6,500	$0	$6,500
Total New Appropriations 2013-15	**$2,024,952**	**$1,586,513**	**$3,611,465**
2015 Supplemental Capital Budget[3]	$68,604	-$182,456	-$113,852
Total Revised 2013-15 Capital Budget	**$2,093,556**	**$1,404,057**	**$3,497,613**

2015-17 Capital Budget	Debt Limit Bonds	Other Funds	Total Funds
New Appropriations			
State Bonds Under New Bond Authorization[3]	$2,219,964	$0	$2,219,964
State Bonds Under Previous Bond Authorizations[4,5]	$24,213	$0	$24,213
Other Funds	$0	$1,455,932	$1,455,932
Governor's Veto	$0	-$500	-$500
Total 2015-17 Capital Budget	**$2,244,177**	**$1,455,432**	**$3,699,609**

New 2015-17 Bond Authorization[6]	**$2,309,362**
Total 2015-17 New Appropriations[3]	**$2,244,177**
New Appropriation Under New Bond Authorization	$2,219,964
New Appropriation Under Previous Bond Authorizations	$24,213
Total Remaining Bond Capacity for 2016 Supplemental	**$89,398**

*The 2015-17 Capital Budget authorizes $225.29 million in alternatively-financed projects.

[1]Chapter 19, Laws of 2013, 2nd Sp. S., Partial Veto (ESSB 5035)

[2]Chapter 1, Laws of 2013, 3rd Sp. S. (EHB 2088)

[3]Chapter 3, Laws of 2015, 3rd Sp. S., Partial Veto (2EHB 1115)

[4]Chapter 167, Laws of 2006 (ESHB 3316) -- Columbia River Bonds

[5]Chapter 179, Laws of 2008 (HB 3374) -- Catastrophic Flood Relief

[6]Chapter 37, Laws of 2015, 3rd Sp. S. (ESHB 1166)

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Governmental Operations		
House of Representatives		
Interim Task Force on Washington Waters	75	75
Office of the Secretary of State		
Library-Archives Building	400	400
Minor Works	1,007	1,007
Total	**1,407**	**1,407**
Department of Commerce		
2015-17 Community Economic Revitalization Board Program	0	10,600
2015-17 Drinking Water State Revolving Fund Loan Program	0	135,000
ARRA SEP Revolving Loans	0	2,500
Building Communities Fund Program	20,859	20,859
Building for the Arts Program	5,797	5,797
Clean Energy and Energy Freedom Program	40,400	40,400
Community Behavioral Health Beds - Acute & Residential	32,000	32,000
Community Energy Efficiency Program	5,000	5,000
Energy Efficiency and Solar Grants	25,000	25,000
Housing Trust Fund Appropriation	75,000	75,000
Local & Community Projects 2016	130,169	130,169
Pacific Medical Center	6,000	6,000
Ultra-Efficient Affordable Housing Demonstration	0	2,500
Weatherization Matchmaker Program	15,000	15,000
Youth Recreational Facilities Program	7,355	7,355
Total	**362,580**	**513,180**
Office of Financial Management		
Approp to Public Works Acct for Previously Authorized Loans	11,000	11,000
Catastrophic Flood Relief	50,000	50,000
Construction Contingency Pool	8,000	8,000
Emergency Repair Pool for K-12 Public Schools	0	5,000
Emergency Repairs	5,000	5,000
Equipment Benchmarks for Capital Projects Study	250	250
Higher Education Preservation Information	0	270
OFM Capital Budget Staff	1,000	1,000
Oversight of State Facilities	1,040	2,160
Total	**76,290**	**82,680**
Department of Enterprise Services		
Capitol Campus Critical Network Standardization & Connectivity	0	250
Capitol Campus Exterior Lighting Upgrades	0	1,000
Capitol Campus Heating Systems Repairs	0	500
Capitol Campus Predesign	200	200
Capitol Campus Utility Renewal Plan	650	650

* Excludes Alternativley Financed Projects

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Capitol Court Major Exterior & Building Systems Renewal	0	150
Capitol Furnishings Preservation Committee Projects	68	68
Capitol Lake Longterm Management Planning	0	250
Dolliver - Critical Building Repairs	0	50
Engineering and Architectural Services: Staffing	9,800	14,800
Expansion of Legislative Gift Center	150	150
Feasibility Study for Restoring Skylights in Legislative Building	125	125
Minor Works Preservation	5,608	7,358
Old Capitol - Exterior & Interior Repairs	2,000	3,000
State Capitol Master Plan	0	250
West Campus Historic Buildings Exterior Preservation	2,000	2,000
Total	**20,601**	**30,801**
Washington State Patrol		
FTA Access Road Reconstruction	0	900
FTA Campus Communication Infrastructure Improvement	0	400
Total	**0**	**1,300**
Military Department		
Minor Works Preservation - 2015-2017 Biennium	5,110	12,598
Minor Works Program - 2015-2017 Biennium	5,663	21,616
Montesano Readiness Center Roof Replacement & Tenant Improvements	3,750	5,250
Thurston County Readiness Center	7,883	42,090
Total	**22,406**	**81,554**
Department of Archaeology & Historic Preservation		
Acquisition/Rehabilitation of Historic Matsuda and Mukai Sites	500	500
Heritage Barn Preservation Program	450	450
Historic County Courthouse Grants Program	2,500	2,500
National Parks Service Maritime Heritage Grants	0	105
Total	**3,450**	**3,555**
Total Governmental Operations	**486,809**	**714,552**
Human Services		
WA State Criminal Justice Training Commission		
Omnibus Minor Works	456	456
Department of Social and Health Services		
Child Study & Treatment Center-Orcas: Acute Treatment Addition	1,100	1,100
Eastern State Hospital-Water System: Improvements	2,115	2,115
Eastern State Hospital-Westlake: Nurse Call System	1,200	1,200
ESH and WSH-All Wards: Patient Safety Improvements	0	2,569
ESH-15 Bed Addition for SSB 5889	1,400	1,400
Fircrest School-Back-Up Power & Electrical Feeders	5,200	5,200

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Fircrest School: Campus Master Plan	0	100
Green Hill School: New Acute Mental Health Unit	4,950	4,950
Medical Lake Campus-Laundry Building: New Construction	150	150
Minor Works Preservation Projects: Statewide	10,645	10,645
Minor Works Program Projects: Statewide	755	755
Rainier School: Campus Master Plan & Forest Management Plan	0	200
Western State Hospital New Kitchen and Commissary Building	29,000	29,000
Western State Hospital-East Campus: Building Systems Replacement	3,400	3,400
Western State Hospital-East Campus: PICU & Competency Restoration	2,200	2,200
Western State Hospital-East Campus: Wards Preservation & Renewal	1,600	1,600
Western State Hospital-Forensic Services: Two Wards Addition	1,800	1,800
Western State Hospital-South Hall: Building Systems Replacement	0	4,450
Western State Hospital-South Hall: Wards Preservation & Renewal	1,350	1,350
Yakima Valley School-Main Building: Roofing Replacement	1,500	1,500
Yakima Valley School: Center for Excellence	0	200
Total	**68,365**	**75,884**
Department of Health		
Drinking Water Assistance Program	0	32,000
Drinking Water Preconstruction Loans	0	6,000
Minor Work - Program	322	322
Minor Works - Facility Preservation	277	277
Newborn Screening Lab Conversion	1,141	1,141
Newborn Screening Wing Addition	3,049	3,049
Total	**4,789**	**42,789**
Department of Veterans' Affairs		
Eastern Washington Cemetery Upgrade	270	2,692
Feasibility Study/Predesign for WSH Skilled Nursing Replacement	0	125
Minor Works Facilities Preservation	3,095	3,095
South Central Washington State Veterans Cemetery Feasibility	0	100
Total	**3,365**	**6,012**
Department of Corrections		
CBCC: Security Video System	6,038	6,038
CBCC: Access Road Culvert Replacement and Road Resurfacing	1,500	1,500
CBCC: MSC & Rec Bldg Roofs	1,808	1,808
MCC: MSU Bathroom Renovation	1,720	1,720
Prison Capacity Expansion	4,800	4,800
SW: Minor Works - Preservation Projects	11,396	11,396
Washington Corrections Center: Roof and Equipment Replacement	5,658	5,658
Washington Corrections Center: Transformers and Switches	150	150
WSP: Education Building Roof	1,525	1,525
WSP: Program and Support Building	1,900	1,900
Total	**36,495**	**36,495**

* Excludes Alternativley Financed Projects

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Total Human Services	**113,470**	**161,636**
Natural Resources		
Department of Ecology		
ASARCO Cleanup	2,000	2,000
ASARCO Cleanup	0	12,146
Centennial Clean Water Program	10,000	20,000
Cleanup Toxics Sites - Puget Sound	0	22,550
Coastal Wetlands Federal Funds	0	10,000
Columbia River Water Supply Development Program	16,800	19,000
Coordinated Prevention Grants (CPG)	15,000	15,000
Drought Response	2,000	16,000
Eastern Washington Clean Sites Initiative	0	11,000
Floodplains by Design	35,560	35,560
Leaking Tank Model Remedies	0	2,000
Low-Level Nuclear Waste Disposal Trench Closure	0	3,675
Reducing Toxic Diesel Emissions	0	1,000
Reducing Toxic Woodstove Emissions	0	2,000
Remedial Action Grants	0	65,050
Stormwater Financial Assistance Program	20,000	53,000
Sunnyside Valley Irrigation District Water Conservation	3,055	3,055
Waste Tire Pile Cleanup and Prevention	0	1,000
Water Irrigation Efficiencies Program	4,000	4,000
Water Pollution Control Revolving Program	0	203,000
Watershed Plan Implementation and Flow Achievement	5,000	5,000
Yakima River Basin Water Supply	30,000	30,000
Total	**143,415**	**536,036**
Washington Pollution Liability Insurance Program		
Underground Storage Tank Capital Program Demonstration and Design	0	1,800
State Parks and Recreation Commission		
Belfair Replace Failing Electrical Supply to Main Camp Loop	1,180	1,180
Camano Island Day Use Access and Facility Renovation	1,212	1,212
Cape Disappointment North Head Parking	1,365	1,365
Clean Vessel Boating Pump-Out Grants	0	2,600
Dash Point - Replace Bridge (Pedestrian)	165	165
Dosewallips Replace Failing Electrical Supply	1,040	1,040
Federal Grant Authority	0	750
Field Spring Replace Failed Sewage Syst & Non-ADA Comfort Station	101	101
Fish Barrier Removal (Lawsuit)	2,034	2,034
Fort Flagler - Replace Failing Electrical Power Historic District	1,173	1,173
Fort Flagler - WW1 Historic Facilities Preservation	430	430
Fort Worden - Housing Areas Exterior Improvements	500	500

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Fort Worden - Replace Failing Sewer Lines	234	234
Ft Worden - Maintenance Shop Relocat from Center of Hist Distric	1,600	1,600
Goldendale Observatory - Expansion	2,649	2,649
Iron Horse - Tunnel 46 and 47 Repairs	1,481	1,481
Lake Chelan State Park Moorage Dock Pile Replacement	248	248
Lake Sammamish Dock Grant Match	1,100	1,100
Local Grant Authority	0	1,000
Minor Works - Facilities and Infrastructures	11,117	11,117
Minor Works - Health and Safety	5,160	5,160
Minor Works - Program	491	491
Mount Spokane - Maintenance Facility Relocation from Harms Way	384	384
Mount Spokane - Nordic Area Improvements & Horse Camp Development	182	182
Mount Spokane Guest Services	1,000	1,000
Mount Spokane Road Improvements, Stage 2D	2,400	2,400
Ocean City - Replace Non-Compliant Comfort Stations	152	152
Parkland Acquisition	0	2,000
Riverside Fisk Property Lk Spokane (Long Lake) Initial Pk Access	1,072	1,072
Sequim Bay Address Failing Retaining Wall	1,122	1,122
Statewide - Cabins, Yurts, and Associated Park Improvement	1,153	1,153
Statewide - Depression Era Structures Restoration Assessment	121	121
Statewide - Facility and Infrastructure Backlog Reduction	6,000	6,000
Steamboat Rock - Replace Failing Sewage Lift Stations	1,229	1,229
Steamboat Rock Build Dunes Campground	3,499	3,499
Sun Lakes - Dry Falls - Upgrade Failing Water Supply Systems	750	750
Sun Lakes State Park: Dry Falls Campground Renovation	402	402
Total	**52,746**	**59,096**
Recreation and Conservation Funding Board		
Aquatic Lands Enhancement Account	0	5,269
Boating Facilities Program	0	9,360
Boating Infrastructure Grants	0	2,200
Coastal Restoration Grants	11,185	11,185
Family Forest Fish Passage Program	5,000	5,000
Firearms and Archery Range Recreation	0	580
Land and Water Conservation	0	4,000
Nonhighway Off-Road Vehicle Activities	0	8,670
Puget Sound Acquisition and Restoration	37,000	37,000
Puget Sound Estuary and Salmon Restoration Program	8,000	8,000
RCO Recreation Grants	38,396	38,396
Recreational Trails Program	0	5,000
Salmon Recovery Funding Board Programs	16,500	66,500
Washington Wildlife Recreation Grants	55,323	55,323
Youth Athletic Facilities	10,000	10,000
Total	**181,404**	**266,483**

* Excludes Alternativley Financed Projects

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
State Conservation Commission		
Conservation Commission Ranch & Farmland Preservation Projects	9,192	9,192
CREP Riparian Contract Funding	2,231	2,231
CREP Riparian Cost Share - State Match	2,600	2,600
Dairy Nutrient Demonstrations Low Interest Loans	5,000	5,000
Improve Shellfish Growing Areas	4,000	4,000
Match for Federal RCPP Program	5,000	28,000
Natural Resources Investment for the Economy and Environment	4,000	4,000
R&D Grant - Deep Furrow Conservation Drill to Conserve Soil/Water	350	350
Total	**32,373**	**55,373**
Department of Fish and Wildlife		
Clarks Creek Hatchery Rebuild	5,000	5,000
Deschutes Watershed Center	5,000	5,000
Edmonds Pier Renovation	800	800
Eells Spring Hatchery Renovation	500	500
Eells Springs Production Shift	4,620	4,620
Fir Island Farm Estuary Restoration Project	500	16,000
Hoodsport Hatchery Adult Pond Renovation	700	700
Kalama Falls Hatchery Renovate Adult Handling Facilities	4,000	4,000
Lake Rufus Woods Fishing Access	2,000	2,000
Lake Whatcom Hatchery - Replace Intake and Pipeline	1,354	1,354
Marblemount Hatchery - Renovating Jordan Creek Intake	2,293	2,293
Migratory Waterfowl Habitat	0	600
Minor Works - Programmatic	2,500	2,500
Minor Works Preservation	9,230	9,530
Minter Hatchery Intakes	250	250
Mitigation Projects and Dedicated Funding	0	12,500
Naselle Hatchery Renovation	275	275
Samish Hatchery Intakes	700	700
Soos Creek Hatchery Renovation	15,000	15,000
Wooten Wildlife Area Improve Flood Plain	2,000	4,600
Total	**56,722**	**88,222**
Department of Natural Resources		
2015-2017 Minor Works Preservation	3,836	3,836
2015-2017 Minor Works Programmatic	250	250
Blanchard Working Forest	2,000	2,000
Contaminated Sites Cleanup and Settlement	0	856
DNR Olympic Region Shop Fire Recovery	1,053	1,053
Forest Hazard Reduction	10,000	10,000
Forest Legacy	0	14,000
Forest Riparian Easement Program	3,500	3,500
Land Acquisition Grants	0	5,000
Natural Areas Facilities Preservation and Access	3,100	3,100

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Puget SoundCorps	8,000	8,000
Research on Transfer of Federal Lands to Washington State	0	500
Rivers and Habitat Open Space Program	1,000	1,000
Road Maintenance and Abandonment Plan (RMAP)	5,000	5,000
State Forest Land Replacement	3,000	3,000
Sustainable Recreation	4,600	4,600
Trust Land Replacement	0	60,500
Trust Land Transfer	9,784	9,784
Total	**55,123**	**135,979**
Department of Agriculture		
Grants to Improve Safety and Access at Fairs	2,000	2,000
Total Natural Resources	**523,783**	**1,144,989**
Higher Education		
University of Washington		
Burke Museum	26,000	26,000
Computer Science & Engineering Expansion	17,500	32,500
Ctr for Advanced Materials and Clean Energy Research Test Beds	9,000	9,000
Health Sciences Education - T-Wing Renovation/Addition	623	623
Health Sciences Interprofessional Education Classroom	2,710	2,710
Preventive Facility Maintenance and Building System Repairs	0	25,825
School of Nursing Simulation Learning Lab	4,000	4,000
UW Bothell	500	500
UW Minor Capital Repairs - Preservation	0	28,175
UW Tacoma Campus Soil Remediation	0	1,000
UW Tacoma Classroom Building Renovation - Urban Solutions Center	16,000	16,000
Total	**76,333**	**146,333**
Washington State University		
2015-17 Minor Works - Preservation	0	27,000
Everett University Center	54,563	54,563
Inventory and Condition of Schools Data Collection	0	1,550
Joint Ctr for Deployment and Research in Earth Abundant Materials	2,000	2,000
Preventive Facility Maintenance and Building System Repairs	0	10,115
WSU Pullman - Plant Sciences Building (REC#5)	0	6,600
WSU Pullman - Troy Hall Renovation	20,682	30,282
WSU Tri-Cities - Academic Building	0	400
Total	**77,245**	**132,510**
Eastern Washington University		
Infrastructure Renewal I	9,949	9,949
Minor Works - Facility Preservation	4,000	11,667
Minor Works - Program	0	1,500

* Excludes Alternativley Financed Projects

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Preventive Maintenance and Building System Repairs	0	2,217
Renovate Science	350	350
University Science Center - Science I	4,791	4,791
Total	**19,090**	**30,474**
Central Washington University		
Bouillon Hall Renovation	4,977	4,977
Combined Utilities	8,000	8,000
Lind Hall Renovation	4,900	4,900
Minor Works Preservation	4,000	5,935
Minor Works Program	0	3,777
Nutrition Science	4,300	4,300
Old Heat - Plant Annex	4,900	4,900
Preventive Maintenance and Building System Repairs	0	2,422
Samuelson Communication and Technology Center (SCTC)	56,041	56,041
Total	**87,118**	**95,252**
The Evergreen State College		
Facilities Preservation	4,720	10,348
Lecture Hall Remodel	16,310	16,310
Minor Works Program	0	1,164
Preventive Facility Maintenance and Building System Repairs	0	783
Science Center - Lab I Basement Renovation	3,240	3,240
Seminar I Renovation	400	400
Total	**24,670**	**32,245**
Western Washington University		
Carver Academic Renovation	58,600	64,000
Minor Works - Preservation	3,572	8,458
Preventive Facility Maintenance and Building System Repairs	0	3,614
Total	**62,172**	**76,072**
Community & Technical College System		
Big Bend: Professional-Technical Education Center	2,040	2,040
Centralia Community College: Student Services	32,089	32,089
Clover Park: Center for Advanced Manufacturing Technologies	3,144	3,144
Columbia Basin College: Social Science Center	14,505	14,505
Facility Repairs	0	20,733
Highline: Health and Life Sciences	2,932	2,932
Minor Works - Preservation	0	19,360
Minor Works - Program	22,456	24,200
Olympic College: College Instruction Center	46,516	46,516
Peninsula College: Allied Health and Early Childhood Dev Center	23,790	23,790
Preventive Maintenance and Building System Repairs	0	22,800
Renton Technical College: Automotive Complex Renovation	15,250	15,250

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Roof Repairs	0	12,534
Site Repairs	0	2,829
South Seattle Community College: Cascade Court	28,231	28,231
Spokane: Main Building South Wing Renovation	2,823	2,823
Total	**193,776**	**273,776**
Total Higher Education	**540,404**	**786,662**
Other Education		
Public Schools		
2015-17 School Construction Assistance Program	302,121	611,099
Capital Program Administration	0	2,924
Distressed Schools	15,000	15,000
Healthy Kids - Healthy Schools Grants	5,000	5,000
K-3 Class-size Reduction Grants - 2ESSB 6080	200,000	200,000
NEWTECH Skill Center (Spokane Area Professional-Technical)	7,493	8,150
Puget Sound Skills Center	19,433	19,433
STEM Pilot Program	12,500	12,500
Tri-Tech Skills Center East Growth	1,702	1,702
Total	**563,249**	**875,808**
State School for the Blind		
General Campus Preservation	640	640
Center for Childhood Deafness & Hearing Loss		
Minor Works - Preservation	500	500
Workforce Training & Education Coordinating Board		
Central Area Community Opportunity Center	100	100
Washington State Historical Society		
Facilities Preservation - Minor Works Projects	2,515	2,515
History Museum Membrane System Replacement	1,805	1,805
Washington Heritage Grants	10,000	10,000
Total	**14,320**	**14,320**
Eastern Washington State Historical Society		
Exhibit Hall/Cowles Center Renovation	200	200
Minor Works - Preservation	702	702
Total	**902**	**902**
Total Other Education	**579,711**	**892,270**

* Excludes Alternativley Financed Projects

2015-17 Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
GOVERNOR VETO		
Natural Resources		
Department of Natural Resources		
Research on Transfer of Federal Lands to Washington State	0	-500
Governor Veto Total	**0**	**-500**
TOTALS		
Governor Veto Total	0	-500
Statewide Total	**2,244,177**	**3,699,609**
BOND CAPACITY ADJUSTMENTS		
Governmental Operations		
Department of Commerce		
2010 Local and Community Projects	-708	
Local and Community Projects	-10	
Total	**-718**	
Bond Capacity Adjustments Total	**-718**	
BOND CAPACITY		
Statewide Bonds Total	2,244,177	
Bond Capacity Adjustments	-718	
Total for Bond Capacity Purposes	**2,243,459**	

2015 Supplemental Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Governmental Operations		
Department of Commerce		
Clean Energy and Energy Freedom Program	0	0
Drinking Water State Revolving Fund Loan Program	-8,800	-4,800
Projects for Jobs & Economic Development	-10,000	-10,000
Projects that Strengthen Communities & Quality of Life	-1,000	-1,000
Renton Aerospace Training Center	10,000	10,000
Total	**-9,800**	**-5,800**
Office of Financial Management		
Construction Contingency Pool	-2,125	-2,125
Department of Enterprise Services		
Capitol Campus Underground Utility Repairs	630	630
Leg Building Exterior Repairs	75	75
Legislative Building Critical Hydronic Loop Repairs	-441	-441
Natural Resource Building Repairs	-120	-120
Total	**144**	**144**
Total Governmental Operations	**-11,781**	**-7,781**
Human Services		
Department of Corrections		
MCC: WSR Living Units Roofs	83	83
WCCW: Replace Fire Alarm System	80	80
Total	**163**	**163**
Natural Resources		
Department of Ecology		
Water Pollution Control Revolving Program	-15,500	0
State Parks and Recreation Commission		
Dosewallips Wastewater Treatment System	453	453
Department of Fish and Wildlife		
Mitchell Act Federal Grant	0	4,000
Total Natural Resources	**-15,047**	**4,453**
Higher Education		
Washington State University		
WSU Pullman Pedestrian Bridge	0	-1,500

* Excludes Alternativley Financed Projects

2015 Supplemental Capital Budget

New Appropriations Project List*

(Dollars In Thousands)

New Appropriations	DLB-1	TOT-A
Community & Technical College System		
Bates Technical College: Mohler Communications Technology Center	711	711
Clark College: Health and Advanced Technologies Building	694	694
Total	**1,405**	**1,405**
Total Higher Education	**1,405**	**-95**
Other Education		
Public Schools		
2013-15 School Construction Assistance Program - Maintenance	97,208	-107,248
School Security Improvement Grants	-3,344	-3,344
Total	**93,864**	**-110,592**
Statewide Total	**68,604**	**-113,852**

*** Excludes Alternativley Financed Projects**

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64TH WASHINGTON STATE LEGISLATURE

Section III: Index

2015

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TRIBAL AFFAIRS

Bill Number to Session Law Table

HOUSE BILLS

SHB	1002	Dental insurance practices	C	9	L 15	
HB	1004	Alcohol tasting by students	C	59	L 15	
SHB	1010	Occupational therapists	C	10	L 15	
HB	1011	Climate zones, counties in	C	11	L 15	
HB	1013	County legislative meetings	C	179	L 15	
SHB	1021	Silver alert system	C	2	L 15	E1
SHB	1043	Self-service storage	C	13	L 15	
SHB	1045	East Asian medicine	C	60	L 15	
HB	1047	Continuity of operations	C	61	L 15	
SHB	1052	Military spouses/higher education	C	14	L 15	
HB	1059	Sexually violent predators	C	278	L 15	
ESHB	1060	Litter tax revenues	C	15	L 15	
HB	1061	District judges, Skagit County	C	25	L 15	E3
SHB	1063	Cosmetology, hair design etc	C	62	L 15	
SHB	1068	Sexual assault exam kits	C	247	L 15	
SHB	1069	DNA work product, preserving	C	221	L 15	
HB	1077	Reinsurance, credit for	C	63	L 15	
ESHB	1078	Consumer financial information	C	64	L 15	
SHB	1088	Flood control zone supervisors	C	165	L 15	
HB	1090	Financial fraud, identity theft	C	65	L 15	
EHB	1091	Ticket sales over internet	C	129	L 15	
E2SHB	1095	Thermal energy efficiency	C	19	L 15	E3
SHB	1105	Operating supplemental budget 2015	C	3	L 15	
2EHB	1115	Capital budget 2015, 2015-17	C	3	L 15	E3 PV
HB	1124	Beer and wine sampling	C	180	L 15	
ESHB	1126	Fatality reviews by DEL	C	199	L 15	
SHB	1127	Agricultural labor skills and safety	C	68	L 15	
SHB	1132	Adult family homes	C	66	L 15	
SHB	1138	Higher education mental health	C	67	L 15	
SHB	1145	County legislative authorities	C	74	L 15	
SHB	1157	Quick title service fees	C	1	L 15	E2
ESHB	1166	State general obligation bonds and accounts	C	37	L 15	E3
HB	1168	Retiree return-to-work/PERS	C	75	L 15	
ESHB	1170	Port districts administrative powers	C	35	L 15	
HB	1172	Insurer risk management, solvency	C	17	L 15	
HB	1179	Cider makers/wine commission assessment	C	76	L 15	
SHB	1183	Radiology benefit managers	C	166	L 15	
SHB	1184	UW health science library access	C	77	L 15	
SHB	1194	Death benefits/LEOFF, WSPRS	C	78	L 15	
HB	1219	State bridges	C	10	L 15	E3
HB	1222	Firefighting apparatus	C	16	L 15	

SHB	1223	Lodging tax/workforce housing	C102	L 15		
HB	1232	Fishing guide licenses	C103	L 15		
SHB	1240	Student restraint, isolation	C206	L 15		
SHB	1252	Massage therapy, reflexology	C 18	L 15		
HB	1259	ARNPs/signing documentation	C104	L 15		
HB	1263	CPAs/private investigator regulations	C105	L 15		
HB	1268	Hemp in animal feed	C106	L 15		
2E2SHB	1272	Intimate images/disclosing	C 7	L 15	E2	
SHB	1274	Nursing home payment rates	C 2	L 15	E2	
2E2SHB	1276	Impaired driving	C 3	L 15	E2	PV
HB	1277	Military member lodging	C 36	L 15		
HB	1279	Local tourism promo. areas	C131	L 15		
2SHB	1281	Sexual exploitation of minor	C279	L 15		
HB	1282	Driving w/license suspended	C149	L 15		
SHB	1283	Debt adjusting/nonprofit organizations	C167	L 15		
SHB	1285	Newborn heart disease	C 37	L 15		
2ESHB	1299	Transportation budget 2013-15, 2015-17	C 10	L 15	E1	PV
HB	1302	Child abduction statutes	C 38	L 15		
HB	1307	Residential services and support	C 39	L 15		
HB	1308	Surplus lines of insurance	C132	L 15		
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C 36	L 15		Military member lodging	HB	1277
C 36	L 15 E3		Reducing tuition	2ESSB	5954
C 37	L 15		Newborn heart disease	SHB	1285
C 37	L 15 E3		State general obligation bonds and accounts	ESHB	1166
C 38	L 15		Child abduction statutes	HB	1302
C 38	L 15 E3		Class size and school staffing	EHB	2266
C 39	L 15		Residential services and support	HB	1307
C 39	L 15 E3		Energy facilities/enforcement	SB	5310

C 40	L 15		Fire protection budgets	SHB	1313
C 40	L 15 E3		Public works contracts, projects	2ESB	5993
C 41	L 15		Sewer charges, collecting	HB	1317
C 41	L 15 E3		Kindergarten, K-3 class size	2ESSB	6080
C 42	L 15		Cider, microbrewery sale of	HB	1342
C 42	L 15 E3		High school science assessment	SB	6145
C 43	L 15		Basic firefighter training	SHB	1382
C 43	L 15 E3	PV	Additive transportation funding	2ESSB	5988
C 44	L 15		Contractor fining by DES	SHB	1447
C 44	L 15 E3		Transportation revenue	2ESSB	5987
C 45	L 15		State treasurers conference	HB	1547
C 45	L 15 E3		Transportation funding bonds	ESSB	5989
C 46	L 15		Tuition and fees exemption	HB	1977
C 47	L 15		Children/guardians, family	HB	1554
C 48	L 15		Labor hours and apprenticeship	HB	1595
C 49	L 15		Tribes/prescription monitoring	HB	1637
C 50	L 15		Healthy housing	HB	1720
C 51	L 15		Earnest money, handling of	SHB	1730
C 52	L 15		Contractor registration	SHB	1749
C 53	L 15		Election statute references	SHB	1806
C 54	L 15		Political committee account books	HB	1819
C 55	L 15		Community and tech colleges	HB	1961
C 56	L 15		Process server SSN's	HB	1962
C 57	L 15		Veteran employment	2SHB	2040
C 58	L 15	PV	Highway maximum speed limit	HB	2181
C 59	L 15		Alcohol tasting by students	HB	1004
C 60	L 15		East Asian medicine	SHB	1045
C 61	L 15		Continuity of operations	HB	1047
C 62	L 15		Cosmetology, hair design etc	SHB	1063
C 63	L 15		Reinsurance, credit for	HB	1077
C 64	L 15		Consumer financial information	ESHB	1078
C 65	L 15		Financial fraud, identity theft	HB	1090
C 66	L 15		Adult family homes	SHB	1132
C 67	L 15		Higher education mental health	SHB	1138
C 68	L 15		Agricultural labor skills and safety	SHB	1127
C 69	L 15		Homeless youth	2SSB	5404
C 70	L 15	PV	Cannabis patient protection	2SSB	5052
C 71	L 15		Marijuana research license	SB	5121
C 72	L 15		Electronic signatures	ESSB	5810
C 73	L 15		Joint operating agencies	SB	5760
C 74	L 15		County legislative authorities	SHB	1145
C 75	L 15		Retiree return-to-work/PERS	HB	1168
C 76	L 15		Cider makers/wine commission assessment	HB	1179
C 77	L 15		UW health science library access	SHB	1184
C 78	L 15		Death benefits/LEOFF, WSPRS	SHB	1194
C 79	L 15		Procurement law	SB	5075
C 80	L 15		Mental status evaluation	SB	5101
C 81	L 15		Alcohol, controlled substances/sentences	SB	5104
C 82	L 15		School district dissolutions	SB	5120

C 83	L 15		Precollege placement	SB	5122
C 84	L 15		Internet crime against child	2SSB	5215
C 85	L 15		Eye drop prescription refills	SSB	5268
C 86	L 15		Tax code improvements	SSB	5275
C 87	L 15		Crisis intervention/officers	2SSB	5311
C 88	L 15		Conservation district rates	SSB	5322
C 89	L 15		Lyme disease treatment	SSB	5448
C 90	L 15		Fishing guide/unlawfully	SB	5464
C 91	L 15		GPS data disclosure	SB	5482
C 92	L 15		Campus sexual violence	SSB	5518
C 93	L 15		Emergency medical services/program	SSB	5591
C 94	L 15		Brewery promotional items	SB	5662
C 95	L 15		County electronic auctions	SB	5768
C 96	L 15		Water or sewer facilities	SSB	5795
C 97	L 15	PV	Recreational guides	SSB	5824
C 98	L 15		At-risk youth fishing permit	SB	5881
C 99	L 15		Leases/Northern State Hospital site	SSB	5887
C100	L 15		Suspected child abuse victim	SSB	5897
C101	L 15		Human trafficking laws program	SSB	5933
C102	L 15		Lodging tax/workforce housing	SHB	1223
C103	L 15		Fishing guide licenses	HB	1232
C104	L 15		ARNPs/signing documentation	HB	1259
C105	L 15		CPAs/private investigator regulations	HB	1263
C106	L 15		Hemp in animal feed	HB	1268
C107	L 15		Lease, security interest/UCC	SB	5032
C108	L 15		Patent infringement claims	SSB	5059
C109	L 15		Nonprofit risk pools	SB	5119
C110	L 15		Elevators, etc./real estate	SSB	5156
C111	L 15		Life annuity benefit/WSPRS	SB	5210
C112	L 15		Local revitalization financial projects	SB	5249
C113	L 15		Optometrists/hydrocodone use	SSB	5293
C114	L 15		Credit union enforcement/DFI	SB	5300
C115	L 15		Trusts	SB	5302
C116	L 15		PEBB benefits eligibility	SB	5466
C117	L 15		Parents for parents program	2SSB	5486
C118	L 15		Applied behavior analysis	SSB	5488
C119	L 15		Pharmaceutical waste	ESB	5577
C120	L 15		Dental professionals	SB	5606
C121	L 15		State need grant eligibility	SB	5638
C122	L 15		Insurer holding company act	SB	5717
C123	L 15		Credit union governance	SB	5757
C124	L 15		Child support credit	SB	5793
C125	L 15		3rd grade English assessment	ESSB	5803
C126	L 15		Conflict resolution/schools	SB	5805
C127	L 15		Disabled veterans supplemental coverage	SB	5974
C128	L 15		Caseload forecast council	SSB	5999
C129	L 15		Ticket sales over internet	EHB	1091
C130	L 15		Firearms, return by law enforcement.	SSB	5381
C131	L 15		Local tourism promo. areas	HB	1279

C132	L 15		Surplus lines of insurance	HB	1308
C133	L 15		Floating home/sale by broker	HB	1309
C134	L 15		Offenses prior to 18 years old	SHB	1319
C135	L 15		Public port district levies	SHB	1337
C136	L 15		Water-sewer districts/bidding	ESHB	1410
C137	L 15		Vocational rehabilitation	SHB	1496
C138	L 15		Actions by or against county	HB	1601
C139	L 15		Occupational disease/firefighters	SHB	1604
C140	L 15		Judicial information system	SHB	1617
C141	L 15		Shellfish/unlawful trafficking	HB	1641
C142	L 15		Construction aggregate, etc.	ESHB	1695
C143	L 15		College fees/military member	HB	1706
C144	L 15		Bridges, expedited process	SHB	1851
C145	L 15		Electric mobility devices	HB	1884
C146	L 15		Special elections, timing of	SHB	1919
C147	L 15		Emergency medical transportation	HB	2007
C148	L 15		Vessel reports of sale	EHB	2190
C149	L 15		Driving w/license suspended	HB	1282
C150	L 15		Real estate appraisals	HB	1431
C151	L 15		Lodging services/tax exemption.	SHB	1516
C152	L 15		Long-term care workers	HB	1531
C153	L 15		Sale of liquor, prohibition	SHB	1564
C154	L 15		Unlawful land entry/hunting	HB	1627
C155	L 15		Housing trust fund projects	EHB	1633
C156	L 15		Youthful offenders, reentry	HB	1674
C157	L 15		Ambulance patient transport	SHB	1721
C158	L 15		Nursing assistants	SHB	1727
C159	L 15		Victim interviews training	HB	1779
C160	L 15		Wheeled all-terrain vehicles	HB	1817
C161	L 15		Prescription drug assistance foundation	SHB	2021
C162	L 15		Better life experience program	2SHB	2063
C163	L 15		Expanded learning opportunities council	SSB	5721
C164	L 15		Highway construction workers	ESB	5863
C165	L 15		Flood control zone supervisors	SHB	1088
C166	L 15		Radiology benefit managers	SHB	1183
C167	L 15		Debt adjusting/nonprofit organizations	SHB	1283
C168	L 15		Floral product businesses	EHB	1422
C169	L 15		Recreation services etc. tax	HB	1550
C170	L 15	PV	Flood control zone districts	HB	1940
C171	L 15	PV	Ballot measure statements	HB	2055
C172	L 15		Water-sewer districts	ESSB	5048
C173	L 15		Job order contracting	SB	5203
C174	L 15		Property tax refund/errors	SSB	5276
C175	L 15		Real estate brokers	SB	5288
C176	L 15		Business organizations/uniformity	SB	5387
C177	L 15		Stay-at-work and self-insured	SB	5468
C178	L 15		Workers' compensation benefits	ESB	5510
C179	L 15		County legislative meetings	HB	1013
C180	L 15		Beer and wine sampling	HB	1124

C181	L 15		State fire service/disasters	HB	1389
C182	L 15		Wildland fire suppression	ESHB	2093
C183	L 15		Recreation and conservation funding board	HB	1392
C184	L 15		Pesticide licensees	SHB	1527
C185	L 15		Environmental handling charges	SHB	1619
C186	L 15		Small business spirits sales	E2SHB	1807
C187	L 15		Water storage asset management	EHB	1989
C188	L 15		Limited liability companies	SSB	5030
C189	L 15		Rental cars/traffic infractions	SB	5100
C190	L 15		Call location information/emergency	ESSB	5158
C191	L 15		Forage fish management	SSB	5166
C192	L 15		Beer, cider/grocery stores	SSB	5280
C193	L 15		Powdered alcohol	SSB	5292
C194	L 15		Distillery spirits marketing	E2SSB	5353
C195	L 15		Wine manufacturer special permit	SSB	5596
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C197	L 15		Livestock transactions	SSB	5733
C198	L 15		Tribal history, culture, etc	SSB	5433
C199	L 15		Fatality reviews by DEL	ESHB	1126
C200	L 15		Intermittent-use trailers	SHB	1480
C201	L 15		Medical liens	SHB	1503
C202	L 15		Dual credit education opportunities	E2SHB	1546
C203	L 15		Cottage food operations	HB	1622
C204	L 15		Disability employment reports	SHB	1636
C205	L 15		Opioid overdose medications	ESHB	1671
C206	L 15		Student restraint, isolation	SHB	1240
C207	L 15		Marijuana agreements w/tribes	HB	2000
C208	L 15		Gold star license plates	SB	5085
C209	L 15		Medicaid population's health	SSB	5147
C210	L 15		Students/military families	SSB	5163
C211	L 15		Financial education partnership	SSB	5202
C212	L 15		Financial aid information	SSB	5328
C213	L 15		Patient medication coordination	ESSB	5441
C214	L 15		Interstate family support	ESSB	5498
C215	L 15		CPA scholarship program	SSB	5534
C216	L 15		Helmets to hardhats program	SSB	5633
C217	L 15		Special education students	SSB	5679
C218	L 15		Everett Community College/aerospace	SB	5746
C219	L 15		State veterans' homes	SB	5958
C220	L 15		Electric vehicle charging	SHB	1853
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C222	L 15		Cell site simulator devices	ESHB	1440
C223	L 15		County road fund purposes	EHB	1868
C224	L 15	PV	Sunshine committee recommendations	ESHB	1980
C225	L 15	PV	Conforming amendments/government	SB	5024
C226	L 15		Buildings, 4 or more stories	SB	5139
C227	L 15		Tow truck operators	SB	5207
C228	L 15		Commercial vehicles/fuel tax	SB	5297
C229	L 15		Residential mortgage lending	SSB	5299

C230	L 15		Deficit reimbursement/ferries	SB	5307
C231	L 15		Local storm water charges/DOT	SB	5314
C232	L 15		Joint utilization contracts	SSB	5348
C233	L 15		Charter and excursion carriers	SSB	5362
C234	L 15		Prepackaged emergency medications in ER	ESSB	5460
C235	L 15	PV	Animal cruelty prevention	SSB	5501
C236	L 15		Commercial transportation providers	ESSB	5550
C237	L 15		Pharmacist services	ESSB	5557
C238	L 15		Inmate funds	SB	5650
C239	L 15		Campus sexual violence	SSB	5719
C240	L 15		Extended foster care	SSB	5740
C241	L 15		Construction industry	ESB	5923
C242	L 15		Biological products	ESB	5935
C243	L 15		Pedestrian safety advisory council	SSB	5957
C244	L 15		College bound scholarship	2SSB	5851
C245	L 15		Outdoor recreation	ESSB	5843
C246	L 15		All payer claims database	ESSB	5084
C247	L 15		Sexual assault exam kits	SHB	1068
C248	L 15		Arrest without warrant	SHB	1316
C249	L 15		Suicide prevention	ESHB	1424
C250	L 15		Mental health/involuntary outpatient	E2SHB	1450
C251	L 15		Health insurance contracting	E2SHB	1471
C252	L 15		Family medicine residencies	E2SHB	1485
C253	L 15		Criminally insane/facilities	HB	1599
C254	L 15		Biotoxin testing, monitoring	HB	1620
C255	L 15		Ambulances and aid, drugs for	SHB	1625
C256	L 15		Medicaid managed health care	HB	1652
C257	L 15		Permanency hearing exceptions	HB	2140
C258	L 15		Detention decision review	E2SSB	5269
C259	L 15		Prescription drug monitoring	SSB	5027
C260	L 15		District court civil jurisdiction.	SB	5125
C261	L 15		Registered sex or kidnap offenders	SSB	5154
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C263	L 15		Insurance/electronic delivery	ESB	5471
C264	L 15		Tenant's death/procedures	SSB	5538
C265	L 15	PV	Juvenile records and fines	E2SSB	5564
C266	L 15		Adult family home licensees	SSB	5877
C267	L 15		Healthcare/inmates, detained	SSB	5593
C268	L 15		Vulnerable adults, abuse of	SSB	5600
C269	L 15		Involuntary treatment act	E2SSB	5649
C270	L 15		Permanency plans of care	SB	5692
C271	L 15		Special commitment center	SB	5693
C272	L 15		Insurance producers, etc.	ESSB	5743
C273	L 15		Trafficking of persons	ESSB	5884
C274	L 15		Oil transportation safety	ESHB	1449
C275	L 15		Domestic violence victims	SSB	5631
C276	L 15		International commercial arbitration	SB	5227
C277	L 15		Student user privacy	ESB	5419
C278	L 15		Sexually violent predators	HB	1059

C279 L 15	Sexual exploitation of minor	2SHB	1281
C280 L 15	Contract retainage bonds	SHB	1575
C281 L 15	Royal Slope railroad	SHB	1586
C282 L 15	Ferry vessel and terminal work	ESHB	1844
C283 L 15	Foster children health care	SHB	1879
C284 L 15	Paying issuers/second-party	EHB	1890
C285 L 15	Customer energy use information	SHB	1896
C286 L 15	Child victim testimony	SHB	1898
C287 L 15	Electronic monitoring	EHB	1943
C288 L 15	Warrant officers' authority	SSB	5004
C289 L 15	Health care information release	SB	5011
C290 L 15	Domestic violence offenders	SB	5070
C291 L 15	Therapeutic courts	SB	5107
C292 L 15	Tolling customer service	SSB	5481
C293 L 15	Guardianship	ESSB	5607
C294 L 15	Pawnbroker fees, interest rates	ESB	5616
C295 L 15	Guardianship facilitators	SB	5647
C296 L 15	Small business retirement	ESSB	5826
C297 L 15	Public sewer required/appeal	ESB	5871
C298 L 15	Near fatality incidents	2SSB	5888
C299 L 15	Amateur athletes/nonemployee	ESB	5893
Full Veto	State officers official duties	ESSB	5785

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Rep. Carol Gregory (D-2)

District 31
Sen. Pam Roach (R)
Rep. Drew Stokesbary (R-1)
Rep. Christopher Hurst (D-2)

District 32
Sen. Maralyn Chase (D)
Rep. Cindy Ryu (D-1)
Rep. Ruth Kagi (D-2)

District 33
Sen. Karen Keiser (D)
Rep. Tina Orwall (D-1)
Rep. Mia Gregerson (D-2)

District 34
Sen. Sharon Nelson (D)
Rep. Eileen Cody (D-1)
Rep. Joe Fitzgibbon (D-2)

District 35
Sen. Tim Sheldon (D)
Rep. Dan Griffey (R-1)
Rep. Drew MacEwen (R-2)

District 36
Sen. Jeanne Kohl-Welles (D)
Rep. Reuven Carlyle (D-1)
Rep. Gael Tarleton (D-2)

District 37
Sen. Pramila Jayapal (D)
Rep. Sharon Tomiko Santos (D-1)
Rep. Eric Pettigrew (D-2)

District 38
Sen. John McCoy (D)
Rep. June Robinson (D-1)
Rep. Mike Sells (D-2)

District 39
Sen. Kirk Pearson (R)
Rep. Dan Kristiansen (R-1)
Rep. Elizabeth Scott (R-2)

District 40
Sen. Kevin Ranker (D)
Rep. Kristine Lytton (D-1)
Rep. Jeff Morris (D-2)

District 41
Sen. Steve Litzow (R)
Rep. Tana Senn (D-1)
Rep. Judy Clibborn (D-2)

District 42
Sen. Doug Ericksen (R)
Rep. Luanne Van Werven (R-1)
Rep. Vincent Buys (R-2)

District 43
Sen. Jamie Pedersen (D)
Rep. Brady Walkinshaw (D-1)
Rep. Frank Chopp (D-2)

District 44
Sen. Steve Hobbs (D)
Rep. Hans Dunshee (D-1)
Rep. Mark Harmsworth (R-2)

District 45
Sen. Andy Hill (R)
Rep. Roger Goodman (D-1)
Rep. Larry Springer (D-2)

District 46
Sen. David Frockt (D)
Rep. Gerry Pollet (D-1)
Rep. Jessyn Farrell (D-2)

District 47
Sen. Joe Fain (R)
Rep. Mark Hargrove (R-1)
Rep. Pat Sullivan (D-2)

District 48
Sen. Cyrus Habib (D)
Rep. Ross Hunter (D-1)
Rep. Joan McBride (D-2)

District 49
Sen. Annette Cleveland (D)
Rep. Sharon Wylie (D-1)
Rep. Jim Moeller (D-2)

*Resigned on May 1, 2015
**Appointed on May 8, 2015

Senate Accountability & Reform
Mark Miloscia, *Chair*
Mike Padden, *Vice Chair*
Pramila Jayapal*
Brian Dansel
Karen Fraser

Senate Agriculture, Water & Rural Economic Development
Judy Warnick, *Chair*
Brian Dansel, *Vice Chair*
Brian Hatfield*
Steve Hobbs
Jim Honeyford

Senate Commerce & Labor
Michael Baumgartner, *Chair*
John Braun, *Vice Chair*
Bob Hasegawa*
Steve Conway
Karen Keiser
Curtis King
Judy Warnick

Senate Early Learning & K-12 Education
Steve Litzow, *Chair*
Bruce Dammeier, *Vice Chair*
Rosemary McAuliffe*
Andy Billig
Joe Fain
Andy Hill
Mark Mullet
Ann Rivers
Christine Rolfes

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Doug Ericksen, *Chair*
Tim Sheldon, *Vice Chair*
John McCoy*
John Braun
Sharon Brown
Annette Cleveland
Cyrus Habib
Jim Honeyford
Kevin Ranker

Senate Financial Institutions, Housing & Insurance
Don Benton, *Chair*
Jan Angel, *Vice Chair*
Mike Mullet*
Jeannie Darneille
Joe Fain
Steve Hobbs
Steve Litzow
Jamie Pedersen
Pam Roach

Senate Government Operations & Security
Pam Roach, *Chair*
Don Benton, *Vice Chair*
Kirk Pearson, *Vice Chair*
Marko Liias*
Brian Dansel
Cyrus Habib
John McCoy

Senate Health Care
Randi Becker, *Chair*
Bruce Dammeier, *Vice Chair*
David Frockt*
Jan Angel
Barbara Bailey
Michael Baumgartner
Sharon Brown
Annette Cleveland
Steve Conway
Pramila Jayapal
Karen Keiser
Linda Evans Parlette
Ann Rivers

Senate Higher Education
Barbara Bailey, *Chair*
Michael Baumgartner, *Vice Chair*
Jeanne Kohl-Welles*
Randi Becker
David Frockt
Marko Liias
Mark Miloscia

Senate Human Services, Mental Health & Housing
Steve O'Ban, *Chair*
Mark Miloscia, *Vice Chair*
Jeannie Darneille*
James Hargrove
Mike Padden

Senate Law & Justice
Mike Padden, *Chair*
Steve O'Ban, *Vice Chair*
Jamie Pedersen*
Jeannie Darneille
Jeanne Kohl-Welles
Kirk Pearson
Pam Roach

*Ranking Member / **Assistant Ranking Member

Standing Committee Assignments

Senate Natural Resources & Parks
Kirk Pearson, *Chair*
Brian Dansel, *Vice Chair*
Brian Hatfield*
Maralyn Chase
Mike Hewitt
Rosemary McAuliffe
Judy Warnick

Senate Rules
Lt. Governor Brad Owen, *Chair*
Pam Roach, *Vice Chair*
Barbara Bailey
Don Benton
Andy Billig
Maralyn Chase
Bruce Dammeier
Doug Ericksen
Joe Fain
Karen Fraser
Bob Hasegawa
Jim Honeyford
Curtis King
Mark Mullet
Sharon Nelson
Linda Evans Parlette
Kirk Pearson
Ann Rivers
Christine Rolfes
Mark Schoesler
Tim Sheldon

Senate Trade & Economic Development
Sharon Brown, *Chair*
John Braun, *Vice Chair*
Maralyn Chase*
Jan Angel
Doug Ericksen
David Frockt
John McCoy

Senate Transportation
Curtis King, *Chair*
Don Benton, *Vice Chair*
Joe Fain, *Budget Vice Chair*
Steve Hobbs*
Marko Liias**
Michael Baumgartner
Annette Cleveland
Doug Ericksen
Cyrus Habib
Pramila Jayapal
Steve Litzow
Mark Miloscia
Jamie Pedersen
Ann Rivers
Tim Sheldon

Senate Ways & Means
Andy Hill, *Chair*
John Braun, *Vice Chair*
Bruce Dammeier, *Vice Chair*
Jim Honeyford, *Capital Budget Vice Chair*
James Hargrove*
Karen Keiser***Capital Budget*
Kevin Ranker**Oper. Budget*
Barbara Bailey
Randi Becker
Andy Billig
Sharon Brown
Steve Conway
Karen Fraser
Bob Hasegawa
Brian Hatfield
Mike Hewitt
Jeanne Kohl-Welles
Steve O'Ban
Mike Padden
Linda Evans Parlette
Christine Rolfes
Mark Schoesler
Judy Warnick

*Ranking Member / **Assistant Ranking Member

Agriculture & Natural Resources
Brian Blake, *Chair*
Kristine Lytton, *Vice Chair*
Vincent Buys*
Tom Dent**
Bruce Chandler
Hans Dunshee
Christopher Hurst
Joel Kretz
Ed Orcutt
Eric Pettigrew
Joe Schmick
Derek Stanford
Kevin Van De Wege

Appropriations
Ross Hunter, *Chair*
Timm Ormsby, *Vice Chair*
Bruce Chandler*
Kevin Parker**
J.T. Wilcox**
Vincent Buys
Reuven Carlyle
Eileen Cody
Cary Condotta
Tom Dent
Hans Dunshee
Larry Haler
Drew Hansen
Paul Harris
Zack Hudgins
Graham Hunt
Sam Hunt
Laurie Jinkins
Ruth Kagi
Kristine Lytton
Drew MacEwen
Chad Magendanz
Eric Pettigrew
David Sawyer
Joe Schmick
Tana Senn
Larry Springer
Drew Stokesbary
Pat Sullivan
David Taylor
Steve Tharinger
Luanne Van Werven
Brady Walkinshaw

Business & Financial Services
Steve Kirby, *Chair*
Cindy Ryu, *Vice Chair*
Brandon Vick*
Brian Blake
Mary Dye
Graham Hunt
Christopher Hurst
Linda Kochmar
Gina McCabe
Sharon Santos
Derek Stanford

Capital Budget
Hans Dunshee, *Chair*
Derek Stanford, *Vice Chair*
Richard DeBolt*
Norma Smith**
Christine Kilduff
Linda Kochmar
Strom Peterson
Marcus Riccelli
Maureen Walsh

Commerce & Gaming
Christopher Hurst, *Chair*
Sharon Wylie, *Vice Chair*
Cary Condotta*
Jeff Holy**
Brian Blake
Steve Kirby
Elizabeth Scott
Kevin Van De Wege
Brandon Vick

Community Development, Housing & Tribal Affairs
Sherry Appleton, *Chair*
June Robinson, *Vice Chair*
Norm Johnson*
Hans Zeiger**
Brad Hawkins
Luis Moscoso
David Sawyer

Early Learning & Human Services
Ruth Kagi, *Chair*
Brady Walkinshaw, *Vice Chair*
Maureen Walsh*
Elizabeth Scott**
Tom Dent
Brad Hawkins
Christine Kilduff
Bob McCaslin
Lillian Ortiz-Self
David Sawyer
Tana Senn

Education
Sharon Santos, *Chair*
Lillian Ortiz-Self, *Vice Chair*
Chris Reykdal, *Vice Chair*
Chad Magendanz*
Dick Muri**
Melanie Stambaugh**
Steve Bergquist
Michelle Caldier
Carol Gregory
Dan Griffey
Mark Hargrove
Dave Hayes
Sam Hunt
Christine Kilduff
Brad Klippert
Kristine Lytton
Bob McCaslin
Tina Orwall
Gerry Pollet
Larry Springer

*Ranking Member / **Assistant Ranking Member

Standing Committee Assignments

Environment
Joe Fitzgibbon, *Chair*
Strom Peterson, *Vice Chair*
Matt Shea*
Shelly Short**
Mary Dye
Jessyn Farrell
Jake Fey
Roger Goodman
Joan McBride
Liz Pike
David Taylor

Finance
Reuven Carlyle, *Chair*
Steve Tharinger, *Vice Chair*
Terry Nealey*
Ed Orcutt**
Cary Condotta
Joe Fitzgibbon
Matt Manweller
Gerry Pollet
Chris Reykdal
June Robinson
Cindy Ryu
Larry Springer
Drew Stokesbary
Brandon Vick
J.T. Wilcox
Sharon Wylie

General Government & Information Technology
Zack Hudgins, *Chair*
Tana Senn, *Vice Chair*
Drew MacEwen*
Michelle Caldier**
Gina McCabe
Jeff Morris
Dean Takko

Health Care & Wellness
Eileen Cody, *Chair*
Marcus Riccelli, *Vice Chair*
Joe Schmick*
Paul Harris**
Michelle Caldier
Judy Clibborn
Richard DeBolt
Laurie Jinkins
Norm Johnson
Jim Moeller
June Robinson
Jay Rodne
Shelly Short
Steve Tharinger
Kevin Van De Wege

Higher Education
Drew Hansen, *Chair*
Gerry Pollet, *Vice Chair*
Hans Zeiger*
Larry Haler**
Steve Bergquist
Carol Gregory
Mark Hargrove
Jeff Holy
Chris Reykdal
Mike Sells
Melanie Stambaugh
Gael Tarleton
Luanne Van Werven

Judiciary
Laurie Jinkins, *Chair*
Christine Kilduff, *Vice Chair*
Jay Rodne*
Matt Shea**
Roger Goodman
Larry Haler
Drew Hansen
Steve Kirby
Brad Klippert
Dick Muri
Tina Orwall
Drew Stokesbary
Brady Walkinshaw

Labor
Mike Sells, *Chair*
Mia Gregerson, *Vice Chair*
Matt Manweller*
Graham Hunt**
Gina McCabe
Jim Moeller
Timm Ormsby

Local Government
Dean Takko, *Chair*
Mia Gregerson, *Vice Chair*
David Taylor*
Dan Griffey**
Joe Fitzgibbon
Joan McBride
Bob McCaslin
Strom Peterson
Liz Pike

Public Safety
Roger Goodman, *Chair*
Tina Orwall, *Vice Chair*
Brad Klippert*
Dave Hayes**
Sherry Appleton
Dan Griffey
Luis Moscoso
Eric Pettigrew
Lynda Wilson

*Ranking Member / **Assistant Ranking Member

Rules
Frank Chopp, *Chair*
Jessyn Farrell
Larry Haler
Mark Harmsworth
Paul Harris
Joel Kretz
Dan Kristiansen
Kristine Lytton
Joan McBride
Jim Moeller
Tina Orwall
Eric Pettigrew
Chris Reykdal
Cindy Ryu
Shelly Short
Larry Springer
Melanie Stambaugh
Pat Sullivan
Gael Tarleton
Kevin Van De Wege
J.T. Wilcox
Jesse Young
Hans Zeiger

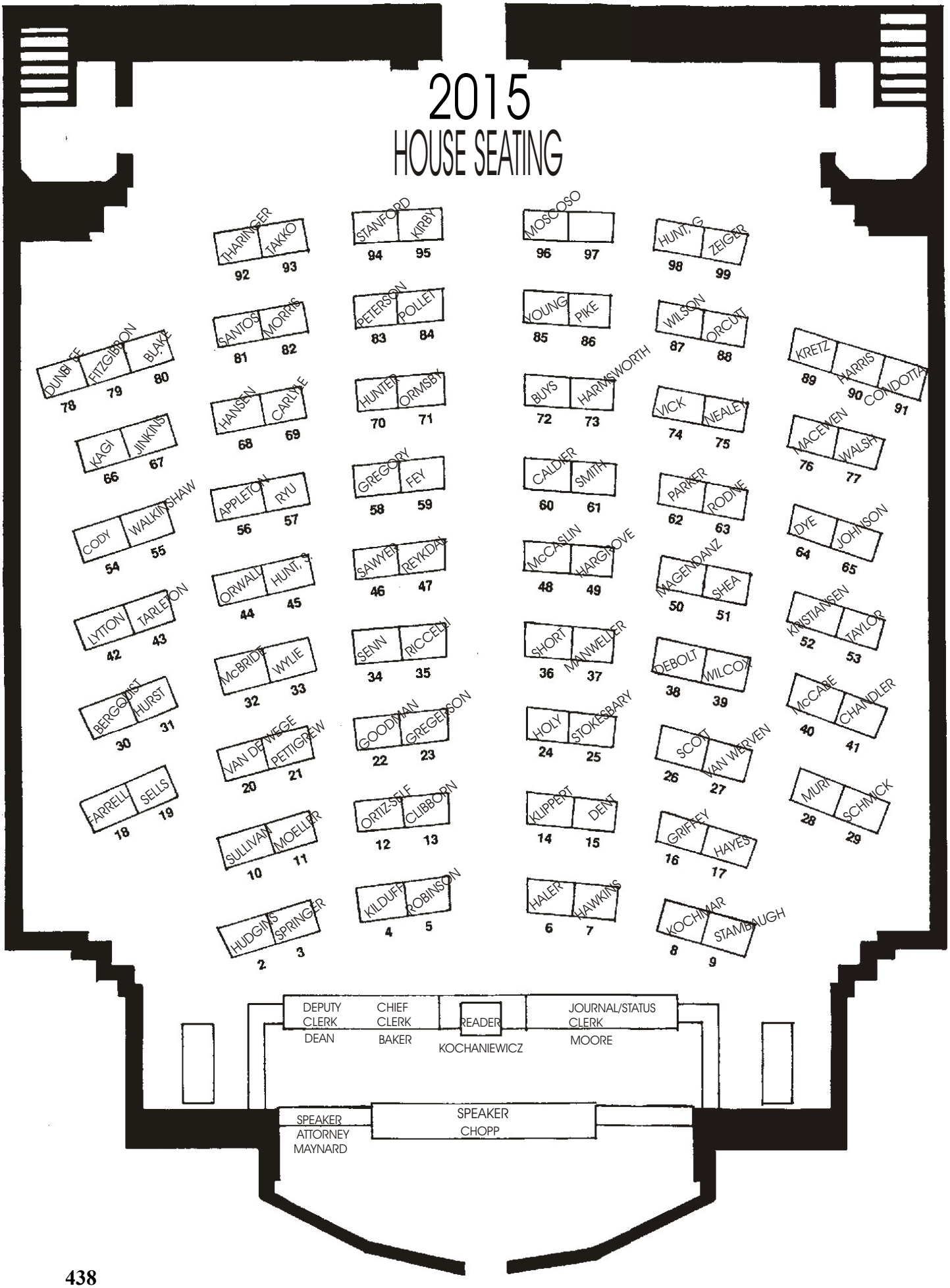
State Government
Sam Hunt, *Chair*
Steve Bergquist, *Vice Chair*
Jeff Holy*
Luanne Van Werven**
Sherry Appleton
Carol Gregory
Brad Hawkins

Technology & Economic Development
Jeff Morris, *Chair*
Gael Tarleton, *Vice Chair*
Norma Smith*
Richard DeBolt**
Jake Fey
Mark Harmsworth
Zack Hudgins
Chad Magendanz
Terry Nealey
Cindy Ryu
Sharon Santos
Sharon Wylie
Jesse Young

Transportation
Judy Clibborn, *Chair*
Jessyn Farrell, *Vice Chair*
Jake Fey, *Vice Chair*
Luis Moscoso, *Vice Chair*
Ed Orcutt*
Mark Hargrove**
Steve Bergquist
Mia Gregerson
Mark Harmsworth
Dave Hayes
Linda Kochmar
Joan McBride
Jim Moeller
Jeff Morris
Lillian Ortiz-Self
Liz Pike
Marcus Riccelli
Jay Rodne
Mike Sells
Matt Shea
Dean Takko
Gael Tarleton
Lynda Wilson
Jesse Young
Hans Zeiger

*Ranking Member / **Assistant Ranking Member

2015
HOUSE SEATING



Senate Seating

2015 Session

= District

Hobbs 44	Hasegawa 11	Padden 4	O'Ban 28		Becker 2	Dammeier 25	Baumgartner 6	Honeyford 15
Chase 32	McAuliffe 1	Darneille 27	Conway 29		King 14		Sheldon 35	Ericksen 42
Hatfield 19		Billig 3	Ranker 40		Rivers 18		Litzow 41	Hewitt 16
Hargrove 24		Nelson 34	Rolfes 23		Fain 47		Schoesler 9	Hill 45
Habib 48		Fraser 22	Cleveland 49		Parlette 12		Bailey 10	Benton 17
Mullet 5		McCoy 38	Pedersen 43		Miloscia 30		Angel 26	Roach 31
Kohl-Welles 36		Frockt 46	Liias 21		Pearson 39		Brown 8	Braun 20
		Jayapal 37	Keiser 33		Dansel 7		Warnick 13	

Srgnt. At Arms	Journal Clerk	Reading Clerk	Secretary of the Senate	Deputy Secretary of the Senate
Andy Staubitz	Linda Jansson	William Martin	Hunter G. Goodman	Pablo (Paul) G. Campos

Press Desk

Senate Counsel Keith Buchholz

President of the Senate Lieutenant Governor Brad Owen

Senate Counsel Jeannie Gorrell

revised 01/6/2015