2009 REGULAR SESSION

April 25, 2009

ONE-HUNDRED FIFTH DAY

MORNING SESSION

Senate Chamber, Olympia, Sunday, April 26, 2009

The Senate was called to order at 10:30 a.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Delvin, Fairley, Hatfield, Holmquist, Kauffman, Morton, Prentice and Pridemore.

The Sergeant at Arms Color Guard consisting of Interns Chelsea Stanton and Ashley Lara, presented the Colors. Senator Fraser offered the prayer.

MOTION

On motion of Senator Eide, the reading of the Journal of the previous day was dispensed with and it was approved.

MOTION

On motion of Senator Eide, the Senate advanced to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House concurred in Senate amendment to the following bills and passed the bills as amended by the Senate: ENGROSSED HOUSE BILL NO. 2194, SUBSTITUTE HOUSE BILL NO. 2341, SUBSTITUTE HOUSE BILL NO. 2362, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT: The House has passed the following bills: ENGROSSED SUBSTITUTE SENATE BILL NO. 5421, ENGROSSED SENATE BILL NO. 5915, SENATE BILL NO. 6157, ENGROSSED SENATE BILL NO. 6166, SENATE BILL NO. 6167, ENGROSSED SUBSTITUTE SENATE BILL NO. 6180, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House has passed the following bills: SUBSTITUTE SENATE BILL NO. 5537, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

MR. PRESIDENT: The Speaker has signed the following: HOUSE BILL NO. 1238, SUBSTITUTE HOUSE BILL NO. 1239, HOUSE BILL NO. 1287. SUBSTITUTE HOUSE BILL NO. 1292, SUBSTITUTE HOUSE BILL NO. 1332, SUBSTITUTE HOUSE BILL NO. 1420, SECOND SUBSTITUTE HOUSE BILL NO. 1481, HOUSE BILL NO. 1527, HOUSE BILL NO. 1579, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1701 SUBSTITUTE HOUSE BILL NO. 1751, SUBSTITUTE HOUSE BILL NO. 1758, SUBSTITUTE HOUSE BILL NO. 1845, SUBSTITUTE HOUSE BILL NO. 1869. ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1935 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1959, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2211, ENGROSSED HOUSE BILL NO. 2242, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2254, SUBSTITUTE HOUSE BILL NO. 2339, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2344, SUBSTITUTE HOUSE BILL NO. 2356, ENGROSSED HOUSE BILL NO. 2358, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT: The Speaker has signed the following: SENATE BILL NO. 5359, SENATE BILL NO. 5470, SENATE BILL NO. 5525, SUBSTITUTE SENATE BILL NO. 5684, SUBSTITUTE SENATE BILL NO. 5734, ENGROSSED SUBSTITUTE SENATE BILL NO. 5768, ENGROSSED SUBSTITUTE SENATE BILL NO. 5892, ENGROSSED SUBSTITUTE SENATE BILL NO. 6108, ENGROSSED SUBSTITUTE SENATE BILL NO. 6108, ENGROSSED SUBSTITUTE SENATE BILL NO. 6169, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Eide, the Senate advanced to the fifth order of business.

INTRODUCTION AND FIRST READING

SCR 8407 by Senators Eide and Schoesler

Returning bills to their house of origin.

SCR 8408 by Senators Brown and Hewitt

Adjourning SINE DIE.

MOTION

On motion of Senator Eide, the rules were suspended and Senate Concurrent Resolution No. 8407 and Senate Concurrent Resolution No. 8408 were placed on the second reading calendar.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Berkey moved that Gubernatorial Appointment No. 9040, Claire Grace, as a member of the Housing Finance Commission, be confirmed.

Senator Berkey spoke in favor of the motion.

MOTION

On motion of Senator Marr, Senators Fairley, Oemig, Prentice and Pridemore were excused.

MOTION

On motion of Senator Brandland, Senators Delvin, Holmquist, Morton and Swecker were excused.

APPOINTMENT OF CLAIRE GRACE

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9040, Claire Grace as a member of the Housing Finance Commission.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9040, Claire Grace as a member of the Housing Finance Commission and the appointment was confirmed by the following vote: Yeas, 41; Nays, 0; Absent, 2; Excused, 6.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Eide, Franklin, Fraser, Hargrove, Haugen, Hewitt, Hobbs, Honeyford, Jacobsen, Jarrett, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Parlette, Pflug, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Absent: Senators Hatfield and Kauffman

Excused: Senators Delvin, Fairley, Holmquist, Morton, Prentice and Pridemore

Gubernatorial Appointment No. 9040, Claire Grace, having received the constitutional majority was declared confirmed as a member of the Housing Finance Commission.

PERSONAL PRIVILEGE

Senator Honeyford: "Thank you Mr. President. One of the down sides of this job is that you lose contact with your community at times and this past week I was notified that retired Rear Admiral Jack Barrett passed away and, you know, services were this week. Now Jack was a fantastic man. He probably wore both the dolphins for his submarine service and the wings as a Naval Aviator. He was in Annapolis and started there as an enlisted seaman and he gathered signatures to his congressman was appointed to him to the Academy and graduated with the class of 1943 but he graduated early of 1942 so they could go serve their country. During that World War II tour, he served on submarines and was responsible, their ships, the submarines,

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were responsible for sinking seventeen Japanese Merchant ships and military ships and also damaging eight others. After World War II was over, he got his wings Naval Aviator and served as a carrier pilot and served in Korea. And after his service in the Navy, retired to Hawaii and was one of the founders of the Submarine Memorial Association, established the museum across from the Arizona Memorial and when he came to the States he was instrumental in getting the USS Blueback, down on the Willamette River in Oregon, established as a Blueback Association to recognize and honor all the deceased Marines past, present and future. He is being buried in Annapolis. Thank you Mr. President."

SECOND READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Marr moved that Gubernatorial Appointment No. 9012, Amy Bragdon, as a member of the State Board of Education, be confirmed.

Senator Marr spoke in favor of the motion.

MOTION

On motion of Senator Marr, Senator Kauffman was excused.

APPOINTMENT OF AMY BRAGDON

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9012, Amy Bragdon as a member of the State Board of Education.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9012, Amy Bragdon as a member of the State Board of Education and the appointment was confirmed by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Eide, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senators Delvin, Fairley, Morton and Pridemore

Gubernatorial Appointment No. 9012, Amy Bragdon, having received the constitutional majority was declared confirmed as a member of the State Board of Education.

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Murray moved that Gubernatorial Appointment No. 9121, Ellen Taussig, as a member of the Higher Education Facilities Authority, be confirmed.

Senator Murray spoke in favor of the motion.

APPOINTMENT OF ELLEN TAUSSIG

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9121, Ellen Taussig as a member of the Higher Education Facilities Authority.

The Secretary called the roll on the confirmation of

Gubernatorial Appointment No. 9121, Ellen Taussig as a member of the Higher Education Facilities Authority and the appointment was confirmed by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Eide, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senators Delvin, Fairley, Morton and Pridemore Gubernatorial Appointment No. 9121, Ellen Taussig, having received the constitutional majority was declared confirmed as a member of the Higher Education Facilities Authority.

SIGNED BY THE PRESIDENT

The President signed: HOUSE BILL NO. 1238, SUBSTITUTE HOUSE BILL NO. 1239, HOUSE BILL NO. 1287. SUBSTITUTE HOUSE BILL NO. 1292, SUBSTITUTE HOUSE BILL NO. 1332, SUBSTITUTE HOUSE BILL NO. 1420, SECOND SUBSTITUTE HOUSE BILL NO. 1481, HOUSE BILL NO. 1527, HOUSE BILL NO. 1579, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.

1701. SUBSTITUTE HOUSE BILL NO. 1751, SUBSTITUTE HOUSE BILL NO. 1758, SUBSTITUTE HOUSE BILL NO. 1845, SUBSTITUTE HOUSE BILL NO. 1869,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1935.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1959, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2211, ENGROSSED HOUSE BILL NO. 2242, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2254, SUBSTITUTE HOUSE BILL NO. 2339, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2344 SUBSTITUTE HOUSE BILL NO. 2356, ENGROSSED HOUSE BILL NO. 2358,

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Marr moved that Gubernatorial Appointment No. 9058, Tom Johnson, as a member of the Higher Education Facilities Authority, be confirmed.

Senator Marr spoke in favor of the motion.

MOTION

On motion of Senator Hobbs, Senator Brown was excused.

APPOINTMENT OF TOM JOHNSON

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9058, Tom Johnson as a member of the Higher Education Facilities Authority.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9058, Tom Johnson as a member of the Higher Education Facilities Authority and the appointment was confirmed by the following vote: Yeas, 44; Nays, 0; Absent, 0; Excused, 5.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Carrell, Eide, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senators Brown, Delvin, Fairley, Morton and Pridemore

Gubernatorial Appointment No. 9058, Tom Johnson, having received the constitutional majority was declared confirmed as a member of the Higher Education Facilities Authority.

MOTION

At 11:05 a.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

The Senate was called to order at 1:11 p.m. by President Owen.

MOTION

On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House has passed the following bills: ENGROSSED SENATE BILL NO. 6158,

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House has passed the following bills: SUBSTITUTE SENATE BILL NO. 6162, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Jarrett moved that Gubernatorial Appointment No. 9009, Martin Bean, as a member of the Work Force Training and Education Coordinating Board, be confirmed. Senator Jarrett spoke in favor of the motion.

MOTION

On motion of Senator Marr, Senators Brown and Oemig were excused.

APPOINTMENT OF MARTIN BEAN

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9009, Martin Bean as a member of the Work Force Training and Education Coordinating Board.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9009, Martin Bean as a member of the Work Force Training and Education Coordinating Board and the appointment was confirmed by the following vote: Yeas, 44; Nays, 0; Absent, 2; Excused, 3. Voting yea: Senators Becker, Benton, Berkey, Carrell,

Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Absent: Senators Brandland and Haugen

Excused: Senators Brown, Oemig and Pridemore

Gubernatorial Appointment No. 9009, Martin Bean, having received the constitutional majority was declared confirmed as a member of the Work Force Training and Education Coordinating Board.

SIGNED BY THE PRESIDENT

The President signed: ENGROSSED SUBSTITUTE SENATE BILL NO. 5073, SUBSTITUTE SENATE BILL NO. 5285, ENGROSSED SUBSTITUTE SENATE BILL NO, 5288, ENGROSSED SUBSTITUTE SENATE BILL NO. 5352, SENATE BILL NO. 5354, ENGROSSED SUBSTITUTE SENATE BILL NO. 5421, SUBSTITUTE SENATE BILL NO. 5431, SUBSTITUTE SENATE BILL NO. 5537, SENATE BILL NO. 5554, SUBSTITUTE SENATE BILL NO. 5574, SUBSTITUTE SENATE BILL NO. 5777, ENGROSSED SUBSTITUTE SENATE BILL NO. 5811, ENGROSSED SUBSTITUTE SENATE BILL NO. 5889, SUBSTITUTE SENATE BILL NO. 5913, ENGROSSED SENATE BILL NO. 5915, SENATE BILL NO. 6002, SENATE BILL NO. 6121, SENATE BILL NO. 6157, SENATE BILL NO. 6165, ENGROSSED SENATE BILL NO. 6166, SENATE BILL NO. 6167, SENATE BILL NO. 6168, SENATE BILL NO. 6173, SENATE BILL NO. 6179. ENGROSSED SUBSTITÚTE SENATE BILL NO. 6180, SENATE BILL NO. 6181,

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Hewitt moved that Gubernatorial Appointment No. 9153, John McVay, as a member of the Higher Education Facilities Authority, be confirmed.

Senator Hewitt spoke in favor of the motion.

MOTION

On motion of Senator Marr, Senators Haugen and Pridemore were excused.

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MOTION

On motion of Senator Holmquist, Senator Brandland was excused.

APPOINTMENT OF JOHN MCVAY

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9153, John McVay as a member of the Higher Education Facilities Authority.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9153, John McVay as a member of the Higher Education Facilities Authority and the appointment was confirmed by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Becker, Benton, Berkey, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senators Brandland, Brown, Haugen and Pridemore

Gubernatorial Appointment No. 9153, John McVay, having received the constitutional majority was declared confirmed as a member of the Higher Education Facilities Authority.

MOTION

On motion of Senator McDermott, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 6171 with the following amendment: 6171-S AMH CAMP BLAC 386

On page 11, beginning on line 23, strike all of section 11

Renumber the remaining sections consecutively and correct any internal references accordingly.

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Keiser moved that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6171 and ask the House to recede therefrom.

Senators Keiser spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator Keiser that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6171 and ask the House to recede therefrom.

The motion by Senator Keiser carried and the Senate refused to concur in the House amendment(s) to Substitute Senate Bill No. 6171 and asked the House to recede therefrom by voice vote.

RULING BY THE PRESIDENT

President Owen: "In ruling upon the point of order raised by Senator Haugen as to whether the floor amendment adopted by the House is beyond the scope and object of Substitute Senate Bill 5795, the President finds and rules as follows:

The bill as it left the Senate was fairly limited to the use of revenue deposited into the Tacoma Narrows Toll Bridge Account. Essentially, the bill has one primary purpose: it clarifies proper expenditures from the Account, and directs the Transportation Commission to further determine appropriate expenditures.

The House amendment retains this language, but it also adds a new section which converts the prior sales tax deferral related to State Route 16 improvements into an exemption. Whatever the merits of this policy, it is beyond the scope and object of the bill as passed by the Senate.

For these reasons, the President finds that Senator Haugen's point is well-taken. The House amendment is outside the scope and object of the underlying bill and not properly before the body for consideration."

MOTION

Senator Haugen moved that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 5795 and ask the House to recede therefrom.

The President declared the question before the Senate to be motion by Senator Haugen that the Senate refuse to concur in the House amendment(s) to, Substitute Senate Bill No. 5795 and ask the House to recede therefrom.

The motion by Senator Haugen carried and the Senate refused to concur in the House amendment(s) to Substitute Senate Bill No. 5795 and asked the House to recede therefrom by voice vote.

MESSAGE FROM THE HOUSE

April 23, 2009

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SUBSTITUTE HOUSE BILL NO. 2125 and asks Senate to recede therefrom. and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kastama moved that the Senate recede from its position on the Senate amendments to Engrossed Substitute House Bill No. 2125.

The President declared the question before the Senate to be motion by Senator Kastama that the Senate recede from its position on the Senate amendments to Engrossed Substitute House Bill No. 2125.

The motion by Senator Kastama carried and the Senate receded from its amendments to Engrossed Substitute House Bill No. 2125 by voice vote.

MOTION

On motion of Senator Kastama, the rules were suspended and Engrossed Substitute House Bill No. 2125 was returned to second reading for the purposes of amendment.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2125, by House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Santos and Kennev)

Addressing community preservation and development authorities.

The measure was read the second time.

MOTION

Senator Kastama moved that the following striking amendment by Senators Kastama and Fairley be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.167.010 and 2007 c 501 s 3 are each amended to read as follows:

(1) The residents, property owners, employees, or business owners of an impacted community may propose formation of a community preservation and development authority. The proposal to form a community preservation and development authority must be presented in writing to the appropriate legislative committee in both the house of representatives and The proposal must contain proposed general the senate. geographic boundaries that will be used to define the community for the purposes of the authority. Proposals presented after January 1, 2008, must identify in its proposal one or more stable revenue sources that (a) have a nexus with the multiple publicly funded facilities that have adversely impacted the community, and (b) can be used to support future operating or capital projects that will be identified in the strategic plan required under RCW 43.167.030.

(2) Formation of the community preservation and development authority is subject to legislative authorization by statute. The legislature must find that (a) the area within the proposal's geographic boundaries meets the definition of "impacted community" contained in section 2(4) of this act and (b) those persons that have brought forth the proposal are members of the community as defined in section 2(1) of this act and, if the authority were approved, would meet the definition of constituency contained in section 2(3) of this act. For proposals brought after January 1, 2008, the legislature must also find that the community has identified one or more stable revenue sources as required in subsection (1) of this section. The legislature may then act to authorize the establishment of the community preservation and development authority in law.

(3) The affairs of a community preservation and development authority shall be managed by a board of directors, consisting of the following members:

(a) Two members who own, operate, or represent businesses within the community; (b) Two members who reside in the community;

(c) Two members who are involved in providing nonprofit community or social services within the community;

(((c))) (d) Two members who are involved in the arts and entertainment within the community;

(((d))) (e) Two members with knowledge of the community's culture and history; ((and

(e))) (f) One member who is involved in a nonprofit or public planning organization that directly serves the impacted community; and

(g) Two representatives of the local legislative authority or authorities, as ex officio members. (4) No member of the board shall hold office for more than

four years. Board positions shall be numbered one through nine, and the terms staggered as follows:

(a) Board members elected to positions one through five shall serve two-year terms, and if reelected, may serve no more than one additional two-year term.

(b) Board members initially elected to positions six through ((nine)) thirteen shall serve a three-year term only.

(c) Board members elected to positions six through ((nine)) thirteen after the initial three-year term shall serve two-year

terms, and if reelected, may serve no more than one additional two-year term.

(5) With respect to an authority's initial board of directors: The state legislative delegation and those proposing formation of the authority shall jointly establish a committee to develop a list of candidates to stand for election once the authority has received legislative approval as established in subsection (2) of this section. For the purpose of developing the list and identifying those persons who meet the criteria in subsection (3)(a) through (e) of this section, community shall mean the proposed geographic boundaries as set out in the proposal. The board of directors shall be elected by the constituency during a meeting convened for that purpose by the state legislative delegation.

(6) With respect to subsequent elections of an authority's board of directors: A list of candidates shall be developed by the authority's existing board of directors and the election shall be held during the annual local town hall meeting as required in RCW 43.167.030.

Sec. 2. RCW 43.167.020 and 2007 c 501 s 4 are each amended to read as follows:

(1) A community preservation and development authority shall have the power to:

(a) Accept gifts, grants, loans, or other aid from public or private entities; ((and

(b) Exercise such additional powers as may be authorized by law))

(b) Employ and appoint such agents, attorneys, officers, and employees as may be necessary to implement the purposes and duties of an authority;

(c) Contract and enter into partnerships with individuals, associations, corporations, and local, state, and federal governments;

(d) Buy, own, lease, and sell real and personal property;

(e) Hold in trust, improve, and develop land;

(f) Invest, deposit, and reinvest its funds;

(g) Incur debt in furtherance of its mission; and

(h) Lend its funds, property, credit, or services for corporate purposes.

(2) A community preservation and development authority ((shall have)) has no power of eminent domain nor any power to levy taxes or special assessments.

(3) A community preservation and development authority

that accepts public funds under subsection (1)(a) of this section: (a) Is subject in all respects to Article VIII, section 5 or 7, as appropriate, of the state Constitution, and to RCW 42.17.128; and

(b) May not use the funds to support or oppose a candidate, ballot proposition, political party, or political committee. Sec. 3. RCW 43.167.030 and 2007 c 501 s 5 are each

amended to read as follows:

A community preservation and development authority shall have the duty to:

(1) Establish specific geographic boundaries for the authority within its bylaws based on the general geographic boundaries established in the proposal submitted and approved by the legislature; (2) Solicit input from members of its community and

develop a strategic preservation and development plan to restore and promote the health, safety, and economic well-being of the impacted community and to restore and preserve its cultural and

historical identity; (3) Include within the strategic plan a prioritized list of projects identified and supported by the community, including capital or operating components ((that address one or more of under section 1(3) of this act)); the purp

(4) Establish funding mechanisms to support projects and programs identified in the strategic plan including but not (5) Use gifts, grants, loans, and other aid from public or

private entities to carry out projects identified in the strategic plan including, but not limited to, those that: (a) Enhance public safety; (b) reduce community blight; and (c) provide ongoing mitigation of the adverse effects of multiple publicly funded projects on the impacted community; and

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(6) Demonstrate ongoing accountability for its actions by:

(a) Reporting to the appropriate committees of the legislature, one year after formation and every biennium thereafter, on the authority's strategic plan, activities, accomplishments, and any recommendations for statutory changes:

(b) Reporting any changes in the authority's geographic boundaries to the appropriate committees of the legislature when the legislature next convenes in regular session:

(c) Convening a local town hall meeting with its constituency on an annual basis to: (i) Report its activities and accomplishments from the previous year; (ii) present and receive input from members of the impacted community regarding its proposed strategic plan and activities for the upcoming year; and (iii) hold board member elections as necessary; and

(d) Maintaining books and records as appropriate for the conduct of its affairs."

Senator Kastama spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Kastama and Fairley to Engrossed Substitute House Bill No. 2125.

The motion by Senator Kastama carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 2 of the title, after "authorities;" strike the remainder of the title and insert "and amending RCW 43.167.010, 43.167.020, and 43.167.030."

MOTION

On motion of Senator Kastama, the rules were suspended, Engrossed Substitute House Bill No. 2125 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2125 as amended by the Senate

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2125 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 40; Nays, 8; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Rockefeller, Schoesler, Sheldon, Shin, Swecker, Tom and Zarelli

Voting nay: Senators Benton, Fairley, Honeyford, King, McCaslin, Morton, Roach and Stevens

Excused: Senator Pridemore

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2125 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House receded in its amendment to SUBSTITUTE SENATE BILL NO. 5510. Under suspension of rules, the bill was returned to second reading for the purpose of an amendment. The House adopted the following amendment: 5510-S AMH KAGI H3450.1, and passed the bill as amended by the House.

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 13.34 RCW to read as follows:

(1) After entry of a dispositional order pursuant to RCW 13.34.130 ordering placement of a child in out-of-home care, the department shall continue to encourage the parent, guardian, or custodian of the child to engage in services and maintain contact with the child, which shall be accomplished by attaching a standard notice to the services and safety plan to be provided in advance of hearings conducted pursuant to RCW 13.34.138.

(2) The notice shall be photocopied on contrasting paper to distinguish it from the services and safety plan to which it is attached, and shall be in substantially the following form:

"NOTICE

If you have not been maintaining consistent contact with your child in out-of-home care, your ability to reunify with your child may be jeopardized. If this is your situation, you need to be aware that you have important legal rights and must take steps to protect your interests. 1. The department of social and health services (or other

1. The department of social and health services (or other supervising agency) and the court have created a permanency plan for your child, including a primary placement plan and a secondary placement plan, and recommending services needed before your child can be placed in the primary or secondary placement. If you want the court to order that your child be reunified with you, you should notify your lawyer and the department, and you should carefully comply with court orders for services and participate regularly in visitation with your child. Failure to promptly engage in services or to maintain contact with your child may lead to the filing of a petition to terminate your rights as a parent.

2. Primary and secondary permanency plans are intended to run at the same time so that your child will have a permanent home as quickly as possible. Even if you want another parent or person to be the primary placement choice for your child, you should tell your lawyer, the department, and the court if you want to be the secondary placement option, and you should comply with any court orders for services and participate in visitation with your child. Early and consistent involvement in your child's case plan is important for the well-being of your child.

3. Dependency review hearings, and all other dependency case hearings, are legal proceedings with potentially serious consequences. Failure to participate, respond, or comply with court orders may lead to the loss of your parental rights.""

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Stevens moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5510.

The President declared the question before the Senate to be the motion by Senator Stevens that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5510.

The motion by Senator Stevens carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5510 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5510, as amended by the House.

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ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5510, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senator Pridemore

SUBSTITUTE SENATE BILL NO. 5510, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Shin: "Thank you Mr. President. On behalf of the International Committee, downtown Seattle area I wish to express my profound thank you for the passage of this important legislation. In 1903 when the Asian immigrants came to the Seattle area they settled into the so called downtown 'China Town' area. These are known as 'China Town.' In 1980's it changed to International District. Now we have given a special title to exercise our right and preservation of culture and ethnicity there. This means a lot to us. Also this is especially pleasing in light of all the development going on in that area. This will give us control of things in terms of development and also programs for the ethnic minority, especially Asian-Americans in that particular district. So, I want to thank you very much, Mr. President."

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House receded in its amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5263. Under suspension of rules, the bill was returned to second reading for the purpose of an amendment. The House adopted the following amendment: 5263-S.E AMH DICK ADAM 073, and passed the bill as amended by the House.

On page 3, line 37, after "activities" insert ". However, a person who is not a commissioned law enforcement officer and who provides school security services under the direction of a school administrator may not possess a device listed in subsection (1)(f) of this section unless he or she has successfully completed training in the use of such devices that is equivalent to the training received by commissioned law enforcement officers"

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kline moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5263. Senator Kline spoke in favor of the motion.

MOTION

On motion of Senator Marr, Senator Ranker was excused.

The President declared the question before the Senate to be the motion by Senator Kline that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5263.

The motion by Senator Kline carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 5263 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5263, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5263, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 45; Navs, 1; Absent, 1; Excused, 2.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Voting nay: Senator Honeyford

Absent: Senator McDermott

Excused: Senators Pridemore and Ranker

ENGROSSED SUBSTITUTE SENATE BILL NO. 5263, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 5499 with the following amendments: 5499-S AMH HUDG MATM 312 and 5499-S AMH LIIA MATM 315

On page 3, line 25, after "project," insert "Before the secretary may approve any bond authorized to be less than the full contract price of a project, the office of financial management shall review and approve the analysis supporting the amount of the bond set by the department to ensure that one hundred percent of the state's exposure to loss is adequately protected."

On page 4, after line 5, insert the following:

"<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 39.08 RCW to read as follows:

In consultation with the director of the office of financial management and the secretary of the department of transportation, the governor shall approve any contract and bond amount authorized with respect to contracts in which the department intends to authorize bonds under RCW 39.08.030 in an amount less than the full contract price of the contract."

Renumber remaining section consecutively, correct internal references accordingly, and correct the title. and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Jarrett moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5499.

Senators Jarrett and Swecker spoke in favor of passage of the motion.

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The President declared the question before the Senate to be the motion by Senator Jarrett that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5499.

The motion by Senator Jarrett carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5499 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5499, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5499, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 38; Nays, 9; Absent, 0; Excused, 2.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Parlette, Prentice, Regala, Rockefeller, Sheldon, Shin, Swecker, Tom and Zarelli

Voting nay: Senators Benton, Carrell, Holmquist, Honeyford, Morton, Pflug, Roach, Schoesler and Stevens

Excused: Senators Pridemore and Ranker

SUBSTITUTE SENATE BILL NO. 5499, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 6122 with the following amendment: 6122-S AMH WAYS FRAS 329

Beginning on page 1, line 8, strike all of sections 1 and 2

Renumber remaining sections consecutively and correct internal references.

Correct the title.

On page 13, after line 15, insert the following:

"<u>NEW SECTION.</u> Sec. 16. The sums of eighty thousand dollars for the fiscal year ending June 30, 2010, and eighty thousand dollars for the fiscal year ending June 30, 2011, or so much thereof as may be necessary, are appropriated from the state general fund to the office of the secretary of state solely for legal advertising under RCW 29A.52.330."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Prentice moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6122.

Senator Prentice spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Prentice that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6122.

The motion by Senator Prentice carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 6122 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6122, as amended by the House.

ONE-HUNDRED FIFTH DAY, APRIL 26, 2009 ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6122, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 42; Nays, 5; Absent, 0; Excused, 2.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Regala, Roach, Rockefeller, Sheldon, Shin, Swecker, Tom and Zarelli

Voting nay: Senators Hewitt, Holmquist, Honeyford, Schoesler and Stevens

Excused: Senators Pridemore and Ranker

SUBSTITUTE SENATE BILL NO. 6122, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT:

The House has passed SENATE BILL NO. 6126 with the following amendment: 6126 AMH WAYS STET 046

On page 2, beginning on line 8, strike all of subsection (3) and insert the following:

"(((3) A complimentary ticket may not have a face value of less than the least expensive ticket available for sale to the general public. The number of untaxed complimentary tickets shall be limited to ten percent of the total tickets sold per event location, not to exceed one thousand tickets. All complimentary tickets exceeding this exemption shall be subject to taxation.))" and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Prentice moved that the Senate concur in the House $amendment(\underline{s})$ to Senate Bill No. 6126.

Senator Prentice spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Prentice that the Senate concur in the House amendment(s) to Senate Bill No. 6126.

The motion by Senator Prentice carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6126 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6126, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6126, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 34; Nays, 13; Absent, 0; Excused, 2.

Voting yea: Senators Berkey, Brown, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Parlette, Pflug, Prentice, Regala, Rockefeller, Schoesler, Shin, Swecker, Tom and Zarelli

Voting nay: Senators Becker, Benton, Brandland, Carrell,

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Hewitt, Holmquist, Honeyford, Kilmer, King, Morton, Roach, Sheldon and Stevens

Excused: Senators Pridemore and Ranker

SENATE BILL NO. 6126, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 1062, by House Committee on Finance (originally sponsored by Representatives Takko, Warnick, Blake, Orcutt, Ericks and Morris)

Modifying the electrolytic processing business tax exemption.

The measure was read the second time.

MOTION

Senator Prentice moved that the following committee striking amendment by the Committee on Ways & Means be adopted.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 82.16.0421 and 2004 c 240 s 1 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Chlor-alkali electrolytic processing business" means a person who is engaged in a business that uses more than ten average megawatts of electricity per month in a chlor-alkali electrolytic process to split the electrochemical bonds of sodium chloride and water to make chlorine and sodium hydroxide. A "chlor-alkali electrolytic processing business" does not include direct service industrial customers or their subsidiaries that contract for the purchase of power from the Bonneville power administration as of June 10, 2004.

(b) "Sodium chlorate electrolytic processing business" means a person who is engaged in a business that uses more than ten average megawatts of electricity per month in a sodium chlorate electrolytic process to split the electrochemical bonds of sodium chloride and water to make sodium chlorate and hydrogen. A "sodium chlorate electrolytic processing business" does not include direct service industrial customers or their subsidiaries that contract for the purchase of power from the Bonneville power administration as of June 10, 2004.

(2) Effective July 1, 2004, the tax levied under this chapter does not apply to sales of electricity made by a light and power business to a chlor-alkali electrolytic processing business or a sodium chlorate electrolytic processing business for the electrolytic process if the contract for sale of electricity to the business contains the following terms:

(a) The electricity to be used in the electrolytic process is separately metered from the electricity used for general operations of the business;

(b) The price charged for the electricity used in the electrolytic process will be reduced by an amount equal to the tax exemption available to the light and power business under this section; and

(c) Disallowance of all or part of the exemption under this section is a breach of contract and the damages to be paid by the chlor-alkali electrolytic processing business or the sodium chlorate electrolytic processing business are the amount of the tax exemption disallowed.

(3) The exemption provided for in this section does not apply to amounts received from the remarketing or resale of electricity originally obtained by contract for the electrolytic process.

(4) In order to claim an exemption under this section, the chlor-alkali electrolytic processing business or the sodium chlorate electrolytic processing business must provide the light and power business with an exemption certificate in a form and manner prescribed by the department.

(5)(a) This section does not apply to sales of electricity made after December 31, (($\frac{2010}{2}$)) 2018.

(b) This section expires June $3\overline{0}$, ((2011)) 2019.

Sec. 2. RCW 82.32.560 and 2004 c $\overline{240}$ s 2 are each amended to read as follows:

(1) For the purposes of this section, "electrolytic processing business tax exemption" means the exemption and preferential tax rate under RCW 82.16.0421.

(2) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources, the legislature needs information to evaluate whether the stated goals of legislation were achieved.

(3) The goals of the electrolytic processing business tax exemption are:

(a) To retain family wage jobs by enabling electrolytic processing businesses to maintain production of chlor-alkali and sodium chlorate at a level that will preserve at least seventy-five percent of the jobs that were on the payroll effective January 1, 2004; and

(b) To allow the electrolytic processing industries to continue production in this state ((through 2011)) so that the industries will remain competitive and be positioned to preserve and create new jobs ((when the anticipated reduction of energy costs occur)).

(4)(a) A person who receives the benefit of an electrolytic processing business tax exemption shall make an annual report to the department detailing employment, wages, and employerprovided health and retirement benefits per job at the manufacturing site. The report is due by March 31st following any year in which a tax exemption is claimed or used. The report shall not include names of employees. The report shall detail employment by the total number of full-time, part-time, and temporary positions. The report shall indicate the quantity of product produced at the plant during the time period covered by the report. The first report filed under this subsection shall include employment, wage, and benefit information for the twelve-month period immediately before first use of a tax exemption. Employment reports shall include data for actual levels of employment and identification of the number of jobs affected by any employment reductions that have been publicly announced at the time of the report. Information in a report under this section is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(b) If a person fails to submit an annual report under (a) of this subsection by the due date of the report, the department shall declare the amount of taxes exempted for that year to be immediately due and payable. Public utility taxes payable under this subsection are subject to interest but not penalties, as provided under this chapter. This information is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(5) ((By December 1, 2007, and by December 1, 2010, the fiscal committees of the house of representatives and the senate, in consultation with the department, shall report to the legislature on the effectiveness of the tax incentive under RCW 82.16.0421. The report shall measure)) Pursuant to chapter 43.136 RCW, the citizen commission for performance measurement of tax preferences must schedule the electrolytic

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processing business tax exemption under RCW 82.16.0421 for a tax preference review by the joint legislative audit and review committee. In addition to any of the factors in RCW 43.136.055(1), the committee must also study and report on the effect of the incentive on job retention for Washington residents, and other factors as the committee((s)) selects. The report shall also discuss expected trends or changes to electricity prices as they affect the industries that benefit from the incentives.

<u>NEW SECTION.</u> Sec. 3. If chapter . . ., Laws of 2009 (Substitute House Bill No. 1597 (H-2475/09)) is enacted, section 2, chapter . . ., Laws of 2009 (section 2 of this act) is null and void."

Senator Prentice spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Substitute House Bill No. 1062.

The motion by Senator Prentice carried and the committee striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 3 of the title, after "exemption;" strike the remainder of the title and insert "amending RCW 82.16.0421 and 82.32.560; creating a new section; and providing an expiration date."

MOTION

On motion of Senator Prentice, the rules were suspended, Substitute House Bill No. 1062 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Prentice spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1062 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1062 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, McAuliffe, McCaslin, McDermott, Morton, Murray, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Voting nay: Senators Marr and Oemig

Excused: Senator Pridemore

SUBSTITUTE HOUSE BILL NO. 1062 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

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MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 6161 with the following amendment: 6161-S AMH WAYS PRIN 181

On page 14, line 19, after "system shall be" strike "5.25 percent, of which 1.25" and insert "5.13 percent, of which 1.13"

On page 14, line 24, after "system shall be" strike "7.80 percent, of which 1.25" and insert "7.68 percent, of which 1.13"

On page 14, line 29, after "system shall be" strike "6.17 percent, of which 2.04" and insert "5.98 percent, of which 1.85"

On page 14, line 34, after "system shall be" strike "5.39 percent, of which 1.25" and insert "5.27 percent, of which 1.13" and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Tom moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6161.

Senator Tom spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Tom that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6161.

The motion by Senator Tom carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 6161 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6161, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6161, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 27; Nays, 20; Absent, 1; Excused, 1.

Voting yea: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Regala, Rockefeller, Shin and Tom

Voting nay: Senators Becker, Benton, Brandland, Carrell, Delvin, Hewitt, Holmquist, Honeyford, Kilmer, King, McCaslin, Morton, Parlette, Pflug, Roach, Schoesler, Sheldon, Stevens, Swecker and Zarelli

Absent: Senator Ranker

Excused: Senator Pridemore

SUBSTITUTE SENATE BILL NO. 6161, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Marr, Senators Brown and Ranker were excused.

MOTION

At 2:18 p.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 3:53 p.m. by President Owen.

MR. PRESIDENT:

The House receded from its amendment to SUBSTITUTE SENATE BILL NO. 5795 and passed the bill without the House amendment.

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House concurred in Senate amendment to the following bills and passed the bills as amended by the Senate: SUBSTITUTE HOUSE BILL NO. 1062,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2125, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

The President has signed: ENGROSSED SUBSTITUTE SENATE BILL NO. 5321, SUBSTITUTE SENATE BILL NO. 5436,

PARLIAMENTARY INQUIRY

Senator Brandland: "Well, thank you Mr. President. It is day 105. It is four o'clock in the afternoon and my attention has been drawn to Rule 29 in the Joint Rules of the Senate and House of Representatives. I'm wondering if I could ask for a point of clarification?."

REPLY BY THE PRESIDENT

President Owen: "You may, Senator."

PARLIAMENTARY INQUIRY

Senator Brandland: "I'm looking at subsection one, it says a resolution calling for a convening of a special session, legislative session shall set forth a date and time for convening the session, the duration of the session which shall not exceed thirty days, together with the purpose or purposes. All kidding aside, I'm wondering, Mr. President, I don't know, can we call like a one day special session? Does it have to be for thirty days and can it run for any duration and how specific do we have to be as to the content of that special session? Thank you."

MOTION

On motion of Senator Eide, the Senate reverted to the first order of business.

REPLY BY THE PRESIDENT

President Owen: "Senator Brandland, on your point of inquiry, the Legislature can limit the time and the subject matter to however many days, if they call themselves back but, if the Governor calls us back she is limited to thirty days. She cannot call less than thirty days and she cannot limit the purpose."

PARLIAMENTARY INQUIRY

Senator Brandland: "So, I guess I'm wondering and I'm not trying to be antagonistic here, I'm just wondering about just how specific do we have to be on issues when you go into special session?"

REPLY BY THE PRESIDENT

President Owen: "That's up to the body."

REPORTS OF STANDING COMMITTEES

April 26, 2009

<u>SB 6137</u> Prime Sponsor, Senator Prentice: Relating to common schools. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 6137 be substituted therefor, and the substitute bill do pass. Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley; Hobbs; Keiser; Kline; Kohl-Welles; Murray; Oemig; Pridemore; Regala and Rockefeller.

MINORITY recommendation: Do not pass. Signed by Senators McDermott and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Zarelli; Brandland; Honeyford; Parlette and Pflug.

Passed to Committee on Rules for second reading.

April 26, 2009

<u>EHB 2122</u> Prime Sponsor, Representative Kessler: Reducing the business and occupation tax burden on the newspaper industry. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Zarelli; Brandland; Fairley; Hewitt; Hobbs; Honeyford; Kline; Kohl-Welles; Murray; Parlette; Pflug; Pridemore; Regala and Schoesler.

MINORITY recommendation: Do not pass. Signed by Senator Oemig.

Passed to Committee on Rules for second reading.

April 26, 2009 <u>EHB 2357</u> Prime Sponsor, Representative Cody: Concerning modifying nursing facility medicaid payments by clarifying legislative intent regarding the statewide weighted average, freezing case mix indices, and revising the use of the economic trends and conditions factor. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended. Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley; Hobbs; Keiser; Kline; Kohl-Welles; McDermott; Murray; Oemig; Pridemore; Regala and Rockefeller.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Zarelli; Hewitt; Honeyford; Parlette; Pflug and Schoesler.

Passed to Committee on Rules for second reading.

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<u>SHB 2363</u> Prime Sponsor, Committee on Ways & Means: Temporarily suspending cost-of-living increases for educational employees. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended. Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley; Hobbs; Keiser; Kline; Kohl-Welles; McDermott; Oemig; Pridemore; Regala and Rockefeller.

MINORITY recommendation: Do not pass. Signed by Senators Zarelli; Honeyford and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Parlette and Pflug.

Passed to Committee on Rules for second reading.

MOTION

On motion of Senator Eide, the rules were suspended and all measures listed on the Standing Committee Report were placed on the day's second reading calendar.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

MOTION

On motion of Senator Brandland, Senator Benton was excused.

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Marr moved that Gubernatorial Appointment No. 9065, Hartly Kruger, as a member of the Horse Racing Commission, be confirmed.

Senator Marr spoke in favor of the motion.

APPOINTMENT OF HARTLY KRUGER

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9065, Hartly Kruger as a member of the Horse Racing Commission.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9065, Hartly Kruger as a member of the Horse Racing Commission and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senator Benton

Gubernatorial Appointment No. 9065, Hartly Kruger, having received the constitutional majority was declared confirmed as a member of the Horse Racing Commission.

SECOND READING

ENGROSSED HOUSE BILL NO. 2122, by Representatives Kessler, Blake, Ericks, Takko, Wallace, Morris, Liias, Hunt, Kelley, Quall, Sullivan and Van De Wege

Reducing the business and occupation tax burden on the newspaper industry.

The measure was read the second time.

MOTION

On motion of Senator Prentice, the rules were suspended, Engrossed House Bill No. 2122 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Prentice, Fairley and Kohl-Welles spoke in favor of passage of the bill.

MOTION

On motion of Senator Marr, Senator Brown was excused.

The President declared the question before the Senate to be the final passage of Engrossed House Bill No. 2122.

MOTION

On motion of Senator Eide, further consideration of Engrossed House Bill No. 2122 was deferred and the bill held its place on the third reading calendar.

SECOND READING

ENGROSSED HOUSE BILL NO. 2357, by Representative Cody

Concerning modifying nursing facility medicaid payments by clarifying legislative intent regarding the statewide weighted average, freezing case mix indices, and revising the use of the economic trends and conditions factor.

The measure was read the second time.

MOTION

Senator Prentice moved that the following committee amendment by the Committee on Ways & Means be adopted.

On page 1, after line 6, strike all of section 1.

Senator Prentice spoke in favor of adoption of the committee amendment.

The President declared the question before the Senate to be the adoption of the committee amendment by the Committee on Ways & Means to Engrossed House Bill No. 2357.

The motion by Senator Prentice carried and the committee amendment was adopted by voice vote.

MOTION

On motion of Senator Prentice, the rules were suspended, Engrossed House Bill No. 2357 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Prentice and Pflug spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed House Bill No. 2357 as amended by the Senate. The Secretary called the roll on the final passage of Engrossed House Bill No. 2357 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Becker, Berkey, Brandland, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senators Benton and Brown

ENGROSSED HOUSE BILL NO. 2357 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Brandland: "A bit on the serious note, Mr. President. I thing that most of you know that one of our camera people, Dick Baldwin, is ill and has been having lots of complications and I just want to draw it to your attention we got a young man standing right over here. His name is Aaron Barna. I don't know about you but I have been calling Aaron Barna to come to this room on countless occasions and help me with photographs. He always does it with a smile on his face. He must have months and months of work sitting downstairs waiting for him when we leave here. I personally want to thank him. I think he's doing a very, very good job for us. Thank you Aaron."

PERSONAL PRIVILEGE

Senator Tom: "Any photographer that makes Brandland look good is a great photographer."

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 2130, by House Committee on Finance (originally sponsored by Representatives Probst, Jacks, Morris, Morrell, Kenney, Conway and Ormsby)

Concerning tax incentives for renewable energy manufacturing facilities.

The measure was read the second time.

MOTION

Senator Hobbs moved that the following committee striking amendment by the Committee on Ways & Means be not adopted.

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible investment project" means an investment project that: (a) Does not qualify as an eligible investment project under chapter 82.60 RCW; and (b) is located in a county with a population density of more than five hundred persons per square mile that does not contain a community empowerment zone designated under RCW 43.31C.020, and that is not one of

the three most populous counties in this state.

(4)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in section 2 of this act; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in section 2 of this act.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of construction" applies separately to each phase.

(5) "Investment project" means an investment of twenty-five million dollars in qualified buildings, qualified machinery and equipment, or both, including labor and services rendered in the planning, installation, and construction of the project.

(6) "Manufacturing" has the same meaning as "to manufacture" in RCW 82.04.120 and includes the activities of processors for hire.

(7) "Person" has the meaning given in RCW 82.04.030.

(8) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity, used for renewable energy manufacturing, research and development, or both. "Qualified buildings" include plant offices, warehouses, or other facilities for the storage of raw material or finished goods, if such facilities are an essential or an integral part of a factory, plant, or laboratory used for renewable energy manufacturing, research and development, or both.

(9) "Qualified machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a renewable energy manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(10) "Recipient" means a person receiving a tax deferral under this chapter.

(11) "Renewable energy manufacturing" means the manufacturing of materials, components, or equipment for solar, wind, bioenergy, or geothermal energy systems.

(12) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process related to renewable energy manufacturing before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

<u>NEW SECTION.</u> Sec. 2. (1) The lessor or owner of a qualified building is not eligible for a deferral under this chapter unless:

(a) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(b)(i) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee in the form of reduced rent payments; and

(ii) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the

annual survey under section 6 of this act.

(2) The economic benefit of the deferral to the lessee may be evidenced by any type of payment, credit, or any other financial arrangement between the lessor or owner of the qualified building and the lessee.

<u>NEW SECTION.</u> Sec. 3. If a building is used partly for renewable energy manufacturing or research and development and partly for other purposes, the applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.

<u>NEW SECTION.</u> Sec. 4. (1) Application for deferral of taxes under this chapter must be made before initiation of construction of the investment project or acquisition of machinery and equipment. The application must be made to the department in a form and manner prescribed by the department. The application must contain information regarding the location of the investment project, estimated or actual costs of the investment project, time schedules for completion and operation, and other information required by the department.

(2) The department must rule on the application within sixty days. The department must keep a running total of all deferrals granted under this chapter during the 2009-2011 fiscal biennium.

<u>NEW SECTION.</u> Sec. 5. (1) The department must issue a sales and use tax deferral certificate for state and local sales and use taxes imposed or authorized under chapters 82.08, 82.12, 82.14, and 81.104 RCW on each eligible investment project.

(2) This section expires June 30, 2011.

<u>NEW SECTION</u>. Sec. 6. (1)(a) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how a tax incentive is used.

(b) Each recipient of a deferral granted under this chapter must complete an annual survey. If the economic benefits of the deferral are passed to a lessee as provided in section 2 of this act, the lessee must complete the annual survey and the applicant is not required to complete the annual survey. The survey is due by April 30th of the year following the calendar year in which the investment project is certified by the department as having been operationally complete and each of the seven succeeding calendar years. The department may extend the due date for timely filing of annual survey must include the amount of tax deferred. The survey must also include the following information for employment positions in Washington:

(i) The number of total employment positions;

(ii) Full-time, part-time, and temporary employment positions as a percent of total employment;

(iii) The number of employment positions according to the following wage bands: Less than thirty thousand dollars; thirty thousand dollars or greater, but less than sixty thousand dollars; and sixty thousand dollars or greater. A wage band containing fewer than three individuals may be combined with another wage band; and

(iv) The number of employment positions that have employer-provided medical, dental, and retirement benefits, by each of the wage bands.

(c) As part of the annual survey, the department may request additional information necessary to measure the results of, or determine eligibility for, the deferral program.

(d) If the person filing a survey under this section did not file a survey with the department in the previous calendar year, the survey filed under this section must also include the employment, wage, and benefit information required under (b)(i) through (iv) of this subsection for the calendar year immediately preceding the preceding calendar year.

(e)(i) Except as otherwise provided, all information

collected under this subsection, except the amount of the tax deferral taken, is deemed taxpayer information under RCW 82.32.330. Information on the amount of tax deferral taken is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request, except as otherwise provided in this subsection.

(ii) If the amount of the tax deferral taken as reported on the survey is different than the amount actually taken or otherwise allowed by the department based on information known to the department, the amount actually taken or allowed may be disclosed.

(iii) Recipients for whom the actual amount of the tax deferral taken is less than ten thousand dollars during the period covered by the survey may request the department to treat the amount of the tax savings as confidential under RCW 82.32.330.

(f) The department must use the information from this section to prepare summary descriptive statistics by category. No fewer than three taxpayers may be included in any category. The department must report these statistics to the legislature each year by October 1st.

(2)(a) If a recipient of the deferral fails to complete the annual survey required under subsection (1) of this section by the date due or any extension under RCW 82.32.590, twelve and one-half percent of the deferred tax is immediately due. If the economic benefits of the deferral are passed to a lessee as provided in section 2 of this act, the lessee will be responsible for payment to the extent the lessee has received the economic benefit. The department must assess interest, but not penalties, on the amounts due under this section. The interest must be assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, and accrues until the amounts due are repaid.

(b) A recipient who must repay deferred taxes under section 7(2) of this act because the department has found that an investment project is used for purposes other than renewable energy manufacturing or research and development is no longer required to file annual surveys under this section beginning on the date an investment project is used for nonqualifying purposes.

<u>NEW SECTION.</u> Sec. 7. (1) Except as provided in subsection (2) of this section, taxes deferred under this chapter need not be repaid.

(2) If, on the basis of the survey under section 6 of this act or other information, the department finds that an investment project is used for purposes other than renewable energy manufacturing or research and development at any time during the calendar year in which the investment project is certified by the department as having been operationally completed, or at any time during any of the seven succeeding calendar years, a portion of deferred taxes are immediately due according to the following schedule:

Year in which	% of deferred taxes due
nonqualifying use occurs	
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

(3) The department must assess interest, but not penalties, on the deferred taxes under subsection (2) of this section. The interest must be assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, retroactively to the date of deferral, and accrues until the deferred taxes are repaid. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

(4) Notwithstanding subsection (2) of this section, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

<u>NEW SECTION.</u> Sec. 8. Chapter 82.32 RCW applies to the administration of this chapter.

<u>NEW SECTION.</u> Sec. 9. Applications approved by the department under this chapter are not confidential and are subject to disclosure.

Sec. 10. RCW 82.32.590 and 2008 c 81 s 13 and 2008 c 15 s 7 are each reenacted and amended to read as follows:

(1) If the department finds that the failure of a taxpayer to file an annual survey or annual report under <u>section 6 of this act</u> or RCW 82.04.4452, 82.32.5351, 82.32.650, 82.32.630, 82.32.610, 82.82.020, or 82.74.040 by the due date was the result of circumstances beyond the control of the taxpayer, the department shall extend the time for filing the survey or report. Such extension shall be for a period of thirty days from the date the department issues its written notification to the taxpayer that it qualifies for an extension under this section. The department may grant additional extensions as it deems proper.

(2) In making a determination whether the failure of a taxpayer to file an annual survey or annual report by the due date was the result of circumstances beyond the control of the taxpayer, the department shall be guided by rules adopted by the department for the waiver or cancellation of penalties when the underpayment or untimely payment of any tax was due to circumstances beyond the control of the taxpayer.

Sec. 11. RCW 82.32.600 and 2008 c 81 s 14 and 2008 c 15 s 8 are each reenacted and amended to read as follows:

(1) Persons required to file annual surveys or annual reports under <u>section 6 of this act or</u> RCW 82.04.4452, 82.32.5351, 82.32.545, 82.32.610, 82.32.630, 82.82.020, or 82.74.040 must electronically file with the department all surveys, reports, returns, and any other forms or information the department requires in an electronic format as provided or approved by the department. As used in this section, "returns" has the same meaning as "return" in RCW 82.32.050.

(2) Any survey, report, return, or any other form or information required to be filed in an electronic format under subsection (1) of this section is not filed until received by the department in an electronic format.

(3) The department may waive the electronic filing requirement in subsection (1) of this section for good cause shown.

<u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing the tax imposed under this chapter, a renewable energy manufacturer may claim a credit for its eligible investment project expenditures occurring after the effective date of this act through June 30, 2014.

(2) Any credits earned under this section must be accrued and carried forward and may not be used until July 1, 2011. The credit is equal to the amount of eligible investment project expenditures, multiplied by the rate of fifteen percent. Credit may be carried over and used until June 30, 2024. The credit claimed against taxes due for each calendar year must not exceed the amount of tax otherwise due under this chapter for the calendar year. Refunds may not be granted in the place of a credit.

(3) Credits are available on a first in-time basis. The department must disallow any credits, or portion thereof, that

would cause the total amount of credits claimed statewide under this section in any fiscal year to exceed the following limits: Two million five hundred thousand dollars for fiscal year 2012, two million five hundred thousand dollars for fiscal year 2013, five million dollars for fiscal year 2014, and five million dollars for each fiscal year thereafter until the fiscal year ending June 30, 2024. If the fiscal year limitation is reached, the department shall provide notification to persons claiming credits that the annual statewide limit has been met. The notice must indicate the amount of tax due and shall provide that the tax be paid within thirty days from the date of such notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any (4) The definitions in this subsection extension thereof. apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible investment project" means an investment project that: (i) Does not qualify as an eligible investment project under chapter 82.60 RCW; and (ii) is located in a county with a population density of more than five hundred persons per square mile that does not contain a community empowerment zone designated under RCW 43.31C.020, and that is not one of the three most populous counties in this state.

(b) "Eligible investment project expenditures" means actual expenditures for an eligible investment project, including labor and services rendered in the planning, installation, and construction of the project.

(c) "Investment project" means a twenty-five million dollar investment in qualified buildings, qualified machinery and equipment, or both.

(d) "Manufacturing" has the same meaning as "to manufacture" in RCW 82.04.120 and includes the activities of processors for hire.

(e) "Person" has the meaning given in RCW 82.04.030.

(f) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity, used for renewable energy manufacturing, research and development, or both. "Qualified buildings" include plant offices, warehouses, or other facilities for the storage of raw material or finished goods, if such facilities are an essential or an integral part of a factory, plant, or laboratory used for renewable energy manufacturing, research and development, or both.

(g) "Qualified machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a renewable energy manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(h) "Renewable energy manufacturing" means the manufacturing of materials, components, or equipment for solar, wind, bioenergy, or geothermal energy systems.

(i) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process related to renewable energy manufacturing before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

(5) In addition to all other requirements under this title, a person claiming the credit under this section must file a complete annual report with the department under section 13 of this act.

(6) Credit may not be claimed for expenditures for which a credit is claimed under RCW 82.04.4452.

(7) This section expires June 30, 2024.

<u>NEW SECTION.</u> Sec. 13. A new section is added to chapter 82.32 RCW to read as follows:

(1)(a) Every person claiming a tax preference that requires a report under this section must file a complete annual report with the department. The report is due by April 30th of the year following any calendar year in which a person becomes eligible to claim the tax preference that requires a report under this section. The department may extend the due date for timely filing of annual reports under this section as provided in RCW 82.32.590.

(b) The report must include information detailing employment, wages, and employer-provided health and retirement benefits for employment positions in Washington for the year that the tax preference was claimed. However, persons engaged in manufacturing commercial airplanes or components of such airplanes may report employment, wage, and benefit information per job at the manufacturing site for the year that the tax preference was claimed. The report must not include names of employees. The report must also detail employment by the total number of full-time, part-time, and temporary positions for the year that the tax preference was claimed.

(c) Persons receiving the benefit of the tax preference provided by RCW 82.16.0421 or claiming any of the tax preferences provided by RCW 82.04.2909, 82.04.4481, 82.08.805, 82.12.805, or 82.12.022(5) must indicate on the annual report the quantity of product produced in this state during the time period covered by the report.

(d) If a person filing a report under this section did not file a report with the department in the previous calendar year, the report filed under this section must also include employment, wage, and benefit information for the calendar year immediately preceding the calendar year for which a tax preference was claimed.

(2) As part of the annual report, the department may request additional information necessary to measure the results of, or determine eligibility for, the tax preference.

(3) Other than information requested under subsection (2) of this section, the information contained in an annual report filed under this section is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(4) Except as otherwise provided by law, if a person claims a tax preference that requires an annual report under this section but fails to submit a complete report by the due date or any extension under RCW 82.32.590, the department must declare the amount of the tax preference claimed for the previous calendar year to be immediately due and payable. The department must assess interest, but not penalties, on the amounts due under this subsection. The interest must be assessed at the rate provided for delinquent taxes under this chapter, retroactively to the date the tax preference was claimed, and accrues until the taxes for which the tax preference was claimed are repaid. Amounts due under this subsection are not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(5) The department must use the information from this section to prepare summary descriptive statistics by category. No fewer than three taxpayers may be included in any category. The department must report these statistics to the legislature each year by October 1st.

(6) For the purposes of this section:

(a) "Person" has the meaning provided in RCW 82.04.030 and also includes the state and its departments and institutions.

(b) "Tax preference" has the meaning provided in RCW 43.136.021 and includes only the tax preferences requiring a survey under this section.

NEW SECTION. Sec. 14. Sections 1 through 9 of this act constitute a new chapter in Title 82 RCW."

On page 1, line 2 of the title, after "facilities;" strike the remainder of the title and insert "reenacting and amending RCW 82.32.590 and 82.32.600; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.32 RCW; adding a new chapter to Title 82 RCW; and providing expiration dates.

The President declared the question before the Senate to be the motion by Senator Hobbs to not adopt the committee striking amendment by the Committee on Ways & Means to Second Substitute House Bill No. 2130.

The motion by Senator Hobbs carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Hobbs moved that the following striking amendment by Senators Hobbs and Honeyford be adopted: Strike everything after the enacting clause and insert the

following:

"PART I Renewable Energy

NEW SECTION. Sec. 101. A new section is added to chapter 82.08 RCW to read as follows:

(1)(a) Except as provided in section 103 of this act, purchasers who have paid the tax imposed by RCW 82.08.020 on machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, are eligible for an exemption as provided in this section, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than one thousand watts of electricity.

(b) Beginning on July 1, 2009, through June 30, 2011, the tax levied by RCW 82.08.020 does not apply to the sale of machinery and equipment described in (a) of this subsection that are used directly in generating electricity or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment. (c) Beginning on July 1, 2011, through June 30, 2013, the

amount of the exemption under this subsection (1) is equal to seventy-five percent of the state and local sales tax paid. The purchaser is eligible for an exemption under this subsection (1)(c) in the form of a remittance

2) For purposes of this section and section 102 of this act,

(a) "Biomass energy" includes: (i) Byproducts of pulping and wood manufacturing process; (ii) animal waste; (iii) solid organic fuels from wood; (iv) forest or field residues; (v) wooden demolition or construction debris; (vi) food waste; (vii) liquors derived from algae and other sources; (viii) dedicated energy crops; (ix) biosolids; and (x) yard waste. "Biomass energy crops; (ix) biosolids; and (x) yard waste. "Biomass energy" does not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old growth forests; or municipal solid waste.

(b) "Fuel cell" means an electrochemical reaction that generates electricity by combining atoms of hydrogen and oxygen in the presence of a catalyst.

(c) "Landfill gas" means biomass fuel, of the type qualified for federal tax credits under Title 26 U.S.C. Sec. 29 of the federal internal revenue code, collected from a "landfill" as defined under RCW 70.95.030.

(d)(i) "Machinery and equipment" means fixtures, devices, and support facilities that are integral and necessary to the generation of electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic

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digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power.

(ii) "Machinery and equipment" does not include: (A)Hand-powered tools; (B) property with a useful life of less than one year; (C) repair parts required to restore machinery and equipment to normal working order; (D) replacement parts that do not increase productivity, improve efficiency, or extend the useful life of machinery and equipment; (E) buildings; or (F) building fixtures that are not integral and necessary to the generation of electricity that are permanently affixed to and become a physical part of a building.

(3)(a) Machinery and equipment is "used directly" in generating electricity by wind energy, solar energy, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas power if it provides any part of the process that captures the energy of the wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

(b) Machinery and equipment is "used directly" in generating electricity by fuel cells if it provides any part of the process that captures the energy of the fuel, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

(4)(a) A purchaser claiming an exemption in the form of a remittance under subsection (1)(c) of this section must pay the tax imposed by RCW 82.08.020 and all applicable local sales taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The purchaser may then apply to the department for remittance in a form and manner prescribed by the department. A purchaser may not apply for a remittance under this section more frequently than once per quarter. The purchaser must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The purchaser must retain, in adequate detail, records to enable the department to determine whether the purchaser is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(b) The department must determine eligibility under this section based on the information provided by the purchaser, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying purchasers who submitted applications during the previous quarter.

(5) This section expires July 1, 2013.

NÉW SECTION. Sec. 102. A new section is added to chapter 82.12 RCW to read as follows:

(1)(a) Except as provided in section 104 of this act, consumers who have paid the tax imposed by RCW 82.12.020 on machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, are eligible for an exemption as provided in this section, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than one thousand watts of electricity.

(b) Beginning on July 1, 2009, through June 30, 2011, the provisions of this chapter do not apply in respect to the use of machinery and equipment described in (a) of this subsection that are used directly in generating electricity or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment.

(c) Beginning on July 1, 2011, through June 30, 2013, the amount of the exemption under this subsection (1) is equal to seventy-five percent of the state and local sales tax paid. The

consumer is eligible for an exemption under this subsection (1)(c) in the form of a remittance.

(2)(a) A person claiming an exemption in the form of a remittance under subsection (1)(c) of this section must pay the tax imposed by RCW 82.12.020 and all applicable local use taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The consumer may then apply to the department for remittance in a form and manner prescribed by the department. A consumer may not apply for a remittance under this section more frequently than once per quarter. The consumer must specify the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The consumer must retain, in adequate detail, records to enable the department to determine whether the consumer is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(b) The department must determine eligibility under this section based on the information provided by the consumer, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying consumers who submitted applications during the previous quarter.

(3) Purchases exempt under section 101 of this act are also exempt from the tax imposed under RCW 82.12.020.

(4) The definitions in section 101 of this act apply to this section.

(5) This section expires June 30, 2013. <u>NEW SECTION.</u> Sec. 103. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of machinery and equipment used directly in generating electricity using solar energy, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not more than ten kilowatts of electricity and provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) For purposes of this section and section 104 of this act:

(a) "Machinery and equipment" means industrial fixtures, devices, and support facilities that are integral and necessary to

the generation of electricity using solar energy; (b) "Machinery and equipment" does not include: (i) Handpowered tools; (ii) property with a useful life of less than one year; (iii) repair parts required to restore machinery and equipment to normal working order; (iv) replacement parts that do not increase productivity, improve efficiency, or extend the useful life of machinery and equipment; (v) buildings; or (vi) building fixtures that are not integral and necessary to the generation of electricity that are permanently affixed to and become a physical part of a building; and

(c) Machinery and equipment is "used directly" in generating electricity with solar energy if it provides any part of the process that captures the energy of the sun, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

(3) This section expires June 30, 2013. <u>NEW SECTION.</u> Sec. 104. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to machinery and equipment used directly in generating not more than ten kilowatts of electricity using solar energy, or to the use of labor and services rendered in respect to installing such machinery and equipment.

(2) The definitions in section 103 of this act apply to this section.

(3) This section expires June 30, 2013.

NEW SECTION. Sec. 105. A new section is added to chapter 82.14 RCW to read as follows:

The exemptions in sections 101 through 104 of this act are for the state and local sales and use taxes and include the sales and use taxes imposed under the authority of this chapter.

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Sec. 106. RCW 81.104.170 and 1997 c 450 s 5 are each amended to read as follows:

(1) Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities may submit an authorizing proposition to the voters and if approved by a majority of persons voting, fix and impose a sales and use tax in accordance with the terms of this chapter, solely for the purpose of providing high capacity transportation service.

(2) The tax authorized pursuant to this section shall be in addition to the tax authorized by RCW 82.14.030 and shall be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing district. The maximum rate of such tax shall be approved by the voters and shall not exceed one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The maximum rate of such tax that may be imposed shall not exceed nine-tenths of one percent in any county that imposes a tax under RCW 82.14.340, or within a regional transit authority if any county within the authority imposes a tax under RCW 82.14.340.

(3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the state portion of the sales and use tax and do not extend to the tax authorized in this section.

b) The exemptions in sections 101 and 102 of this act are for the state and local sales and use taxes and include the tax authorized by this section. Sec. 107. RCW 82.14.050 and 2005 c 336 s 20 are each

amended to read as follows:

(1) The counties, cities, and transportation authorities under RCW 82.14.045, public facilities districts under chapters 36.100 and 35.57 RCW, public transportation benefit areas under RCW 82.14.440, regional transportation investment districts, and transportation benefit districts under chapter 36.73 RCW shall contract, prior to the effective date of a resolution or ordinance imposing a sales and use tax, the administration and collection to the state department of revenue, which shall deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department. The remainder of any portion of any tax authorized by this chapter that is collected by the department of revenue shall be deposited by the state department of revenue in the local sales and use tax account hereby created in the state treasury. Moneys in the local sales and use tax account may be ((spent)) withdrawn only for:

(a) Distribution to counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts imposing a sales and use tax; and

(b) Making refunds of taxes imposed under the authority of this chapter and RCW 81.104.170 and exempted under sections 101 and 102 of this act.

(2) All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be amended, shall, insofar as they are applicable to state sales and use taxes, be applicable to taxes imposed pursuant to this chapter.

(3) Counties, cities, transportation authorities, public facilities districts, and regional transportation investment districts may not conduct independent sales or use tax audits of sellers registered under the streamlined sales tax agreement.

(4) Except as provided in RCW 43.08.190, all earnings of investments of balances in the local sales and use tax account shall be credited to the local sales and use tax account and distributed to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts monthly. Sec. 108. RCW 82.14.060 and 2005 c 336 s 21 are each

amended to read as follows:

(1)(a) Monthly, the state treasurer ((shall make distribution)) must distribute from the local sales and use tax account to the counties, cities, transportation authorities, public facilities

districts, and transportation benefit districts the amount of tax collected on behalf of each taxing authority, less:

(i) The deduction provided for in RCW 82.14.050; and

(ii) The amount of any refunds of local sales and use taxes exempted under sections 101 and 102 of this act, which must be made without appropriation.

(b) The state treasurer shall make the distribution under this section without appropriation.

(2) In the event that any ordinance or resolution imposes a sales and use tax at a rate in excess of the applicable limits contained herein, such ordinance or resolution shall not be considered void in toto, but only with respect to that portion of the rate which is in excess of the applicable limits contained herein.

<u>NEW SECTION.</u> Sec. 109. A new section is added to chapter 82.12 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the expiration of RCW 82.12.02567 and section 102 of this act do not require the payment of, or authorize the department to assess, use tax imposed by or under the authority of RCW 82.12.020, 81.104.170, and chapter 82.14 RCW, on the use of machinery and equipment, and labor and services rendered in respect to installing such machinery and equipment, if such use qualified for the exemption under RCW 82.12.02567 or section 102 of this act immediately preceding the expiration date of the applicable exemption under RCW 82.12.02567 or section 102 of this act.

(2) Subsection (1) of this section does not prohibit the department from assessing, subject to the limitations period in RCW 82.32.050, state and local use taxes on the use of machinery and equipment, and labor and services rendered in respect to installing such machinery and equipment, if, before the expiration of the applicable exemption provided in RCW 82.12.02567 or section 102 of this act, the machinery and equipment was put to a use that is outside of the scope of the applicable exemption in RCW 82.12.02567 or section 102 of this act.

PART II Radioactive Waste Cleanup

<u>NEW SECTION.</u> Sec. 201. (1) The legislature finds that the cleaning up of radioactive waste at the Hanford site is crucial to the environment in this state. The legislature intends to include services supporting the cleanup within the radioactive waste clean-up business and occupation tax classification, but it is not the legislature's intent to extend the radioactive waste clean-up classification to all business activities conducted at the Hanford site or performed for persons engaged in the performance of cleanup.

(2) It is the legislature's intent in enacting this legislation to ensure that the radioactive waste clean-up business and occupation tax classification applies to all services contributing to the performance of a clean-up project at the Hanford site other than services that are routinely provided to any business, including businesses that are not engaged in clean-up activities

including businesses that are not engaged in clean-up activities. Sec. 202. RCW 82.04.263 and 1996 c 112 s 3 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of cleaning up for the United States, or its instrumentalities, radioactive waste and other by_products of weapons production and nuclear research and development; as to such persons the amount of the tax with respect to such business shall be equal to the ((value of the)) gross income of the business multiplied by the rate of 0.471 percent.

(2) For the purposes of this chapter, "cleaning up radioactive waste and other by-products of weapons production and nuclear research and development" means:

research and development" means: (a) The activities of handling, storing, treating, immobilizing, stabilizing, or disposing of radioactive waste, radioactive tank waste and capsules, nonradioactive hazardous solid and liquid wastes, or spent nuclear fuel;

(b) Spent nuclear fuel conditioning;

(c) Removal of contamination in soils and groundwater;

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(d) Decontamination and decommissioning of facilities; and ((activities integral and necessary to the direct performance of cleanup)) (e) Services supporting the performance of cleanup. For the purposes of this subsection (2)(e), a service supports the performance of cleanup if it:

(i) Is within the scope of work under a clean-up contract with the United States department of energy; or

(ii) Assists in the accomplishment of a requirement of a clean-up project undertaken by the United States department of energy under a subcontract entered into with the prime contractor or another subcontractor in furtherance of a clean-up contract between the United States department of energy and a prime contractor.

(3) A service does not assist in the accomplishment of a requirement of a clean-up project undertaken by the United States department of energy if the same services are routinely provided to businesses not engaged in clean-up activities, except that the following services are always deemed to contribute to the accomplishment of a requirement of a clean-up project undertaken by the United States department of energy:

(a) Information technology and computer support services; (b) Services rendered in respect to infrastructure; and

(c) Security, safety, and health services.

(4) The legislature intends that the examples provided in this subsection be used as a guideline when determining whether a service is "routinely provided to businesses not engaged in clean-up activities" as that phrase is used in subsection (3) of this section.

(a) The radioactive waste clean-up classification does not apply to general accounting services but does apply to performance audits performed for persons cleaning up radioactive waste.

(b) The radioactive waste clean-up classification does not apply to general legal services but does apply to those legal services that assist in the accomplishment of a requirement of a clean-up project undertaken by the United States department of energy. Thus, legal services provided to contest any local, state, or federal tax liability or to defend a company against a workers' compensation claim arising from a worksite injury do not qualify for the radioactive waste clean-up classification. But, legal services related to the resolution of a contractual dispute between the parties to a clean-up contract between the United States department of energy and a prime contractor do qualify.

(c) General office janitorial services do not qualify for the radioactive waste clean-up classification, but the specialized cleaning of equipment exposed to radioactive waste does qualify.

PART III Hog Fuel Tax Relief

<u>NEW SECTION.</u> Sec. 301. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of hog fuel used to produce electricity, steam, heat, or biofuel. This exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) For the purposes of this section the following definitions apply:

(a) "Hog fuel" means wood waste and other wood residuals including forest derived biomass. "Hog fuel" does not include firewood or wood pellets; and

(b) "Biofuel" has the same meaning as provided in RCW 43.325.010.

(3) This section expires June 30, 2013.

<u>NEW SECTION.</u> Sec. 302. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of hog fuel for production of electricity, steam, heat, or biofuel.

(2) For the purposes of this section:

(a) "Hog fuel" has the same meaning as provided in section 301 of this act; and

(b) "Biofuel" has the same meaning as provided in RCW 43.325.010.

(3) This section expires June 30, 2013.

PART IV **Biomass Energy Incentives**

NEW SECTION. Sec. 401. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing the tax imposed under this chapter, harvesters are allowed a credit against the amount of tax otherwise due under this chapter, as provided in this section. The credit per harvested green ton of forest derived biomass sold, transferred, or used for production of electricity, steam, heat, or biofuel is as follows:

(a) For forest derived biomass harvested October 1, 2009, through June 30, 2010, zero dollars;

(b) For forest derived biomass harvested July 1, 2010, through June 30, 2013, three dollars;

(c) For forest derived biomass harvested July 1, 2013, through June 30, 2015, five dollars.

(2) Credit may not be claimed for forest derived biomass sold, transferred, or used before the effective date of this section. The amount of credit allowed for a reporting period may not exceed the tax otherwise due under this chapter for that reporting period. Any unused excess credit in a reporting period may be carried forward to future reporting periods for a maximum of two years.

(3) For the purposes of this section, "harvested" and "harvesters" are defined in RCW 84.33.035, and "biofuel" is defined in RCW 43.325.010.

4) This section expires June 30, 2015.

NEW SECTION. Sec. 402. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of forest derived biomass used to produce electricity, steam, heat, or biofuel. This exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) For purposes of this section, "biofuel" is defined in RCW 43.325.010.

(3) This section expires June 30, 2013. <u>NEW SECTION.</u> Sec. 403. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of forest derived biomass for production of electricity, steam, heat, or biofuel.

(2) For purposes of this section, "biofuel" is defined in RCW 43.325.010.

(3) This section expires June 30, 2013.

PART V

Solar Energy Incentives

Sec. 501. RCW 82.04.294 and 2007 c 54 s 8 are each amended to read as follows:

(1)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing solar energy systems using photovoltaic modules, or of manufacturing solar grade silicon to be used exclusively in components of such systems; as to such persons the amount of tax with respect to such business shall, in the case of manufacturers, be equal to the value of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(b) Beginning October 1, 2009, upon every person engaging within this state in the business of manufacturing solar energy systems using photovoltaic modules, or of manufacturing solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers to be used exclusively in components of such systems; as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured, or in the case of processors for hire, equal to the

gross income of the business, multiplied by the rate of 0.275 percent.

(2)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of making sales at wholesale of solar energy systems using photovoltaic modules, or of solar grade silicon to be used exclusively in components of such systems, manufactured by that person; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the solar energy systems using photovoltaic modules, or of the solar grade silicon to be used exclusively in components of such systems, multiplied by the rate of 0.2904 percent.

(b) Beginning October 1, 2009, upon every person engaging within this state in the business of making sales at wholesale of solar energy systems using photovoltaic modules, or of solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers to be used exclusively in components of such systems, manufactured by that person; as to such persons the amount of tax with respect to such business is equal to the gross proceeds of sales of the solar energy systems using photovoltaic modules, or of the solar grade silicon to be used exclusively in components of such systems, multiplied by the rate of 0.275 percent.

(3) Beginning October 1, 2009, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers are "semiconductor materials" for the purposes of RCW 82.08.9651 and 82.12.9651.

(4) The definitions in this subsection apply throughout this section.

"Compound semiconductor solar wafers" means a (a) semiconductor solar wafer composed of elements from two or more different groups of the periodic table

(b) "Module" means the smallest nondivisible self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current electrical output.

(((b))) (c) "Photovoltaic cell" means a device that converts light directly into electricity without moving parts.

(((c))) (d) "Silicon solar cells" means a photovoltaic cell manufactured from a silicon solar wafer.

(e) "Silicon solar wafers" means a silicon wafer manufactured for solar conversion purposes.

(f) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.

((((d)))) (g) "Solar grade silicon" means high-purity silicon used exclusively in components of solar energy systems using photovoltaic modules to capture direct sunlight. "Solar grade photovoltaic modules to capture direct sunlight. silicon" does not include silicon used in semiconductors. (((4))) (h) "Thin film solar devices" mo

means nonparticipating substrate on which various semiconducting materials are deposited to produce a photovoltaic cell that is used to generate electricity.

(5) This section expires June 30, 2014. Sec. 502. RCW 82.08.9651 and 2006 c 84 s 3 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 ((shall)) does not apply to sales of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For the purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

(2) A person taking the exemption under this section must report under RCW 82.32.5351. No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(3) This section expires twelve years after December 1, 200*č*.

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Sec. 503. RCW 82.12.9651 and 2006 c 84 s 4 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

(2) A person taking the exemption under this section must report under RCW 82.32.5351. No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(3) This section expires twelve years after December 1, 2006.

Sec. 504. RCW 82.16.110 and 2005 c 300 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1)(a) "Community solar project" means:

(i) A solar energy system owned by local individuals, households, nonprofit organizations, or nonutility businesses that is placed on the property owned by a cooperating local governmental entity that is not in the light and power business or in the gas distribution business; or

(ii) A utility-owned solar energy system that is voluntarily funded by the utility's ratepayers where, in exchange for their financial support, the utility gives contributors a payment or credit on their utility bill for the value of the electricity produced by the project.

(b) For the purposes of "community solar project" as defined in (a) of this subsection:

(i) "Nonprofit organization" means an organization exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of January 1, 2009; and

(ii) "Utility" means a light and power business, an electric cooperative, or a mutual corporation that provides electricity service.

(2) "Customer-generated electricity" means a community solar project or the alternating current electricity that is generated from a renewable energy system located on an individual's, businesses', or local government's real property that is also provided electricity generated by a light and power business. Except for community solar projects, a system located on a leasehold interest does not qualify under this definition. "Customer-generated electricity" does not include electricity generated by a light and power business with greater than one thousand megawatt hours of annual sales or a gas distribution business.

(((2))) (3) "Economic development kilowatt-hour" means the actual kilowatt-hour measurement of customer-generated electricity multiplied by the appropriate economic development factor.

(((3))) (4) "Local governmental entity" means any unit of local government of this state including, but not limited to, counties, cities, towns, municipal corporations, quasi-municipal corporations, special purpose districts, and school districts.

corporations, special purpose districts, and school districts. (5) "Photovoltaic cell" means a device that converts light directly into electricity without moving parts.

(((4))) (6) "Renewable energy system" means a solar energy system, an anaerobic digester as defined in RCW 82.08.900, or a wind generator used for producing electricity.

 $((\frac{(5)}{2}))$ (7) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.

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((((6))) (8) "Solar inverter" means the device used to convert direct current to alternating current in a photovoltaic cell system.

(((7))) (9) "Solar module" means the smallest nondivisible self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current electrical output.

(((8) "Standards for interconnection to the electric distribution system" means technical, engineering, operational, safety, and procedural requirements for interconnection to the electric distribution system of a light and power business.)) Sec. 505. RCW 82.16.120 and 2007 c 111 s 101 are each

Sec. 505. RCW 82.16.120 and 2007 c 111 s 101 are each amended to read as follows:

(1) Any individual, business, $((\sigma r))$ local governmental entity, not in the light and power business or in the gas distribution business, <u>or a participant in a community solar</u> <u>project may apply to the light and power business serving the</u> situs of the system, each fiscal year beginning on July 1, 2005, for an investment cost recovery incentive for each kilowatt-hour from a customer-generated electricity renewable energy system ((installed on its property that is not interconnected to the electric distribution system)). No incentive may be paid for kilowatt-hours generated before July 1, 2005, or after June 30, ((2014)) 2020.

(2) ((When light and power businesses serving eighty percent of the total customer load in the state adopt uniform standards for interconnection to the electric distribution system, any individual, business, or local governmental entity, not in the light and power business or in the gas distribution business, may apply to the light and power business serving the situs of the system, each fiscal year, for an investment cost recovery incentive for each kilowatt-hour from a customer-generated electricity renewable energy system installed on its property that is not interconnected to the electric distribution system and from a customer-generated electricity renewable energy system installed on its property that is interconnected to the electric distribution system. Uniform standards for interconnection to the electric distribution system means those standards established by light and power businesses that have ninety percent of total requirements the same. No incentive may be paid for kilowatt-hours generated before July 1, 2005, or after June 30, 2014.

(3))(a) Before submitting for the first time the application for the incentive allowed under <u>subsection (4) of</u> this section, the applicant ((shall)) <u>must</u> submit to the department of revenue and to the climate and rural energy development center at the Washington State University, established under RCW 28B.30.642, a certification in a form and manner prescribed by the department that includes, but is not limited to, the following information:

(i) The name and address of the applicant and location of the renewable energy system;

(ii) The applicant's tax registration number;

(iii) That the electricity produced by the applicant meets the definition of "customer-generated electricity" and that the renewable energy system produces electricity with:

(A) Any solar inverters and solar modules manufactured in Washington state;

(B) A wind generator powered by blades manufactured in Washington state;

(C) A solar inverter manufactured in Washington state;

(D) A solar module manufactured in Washington state; or (E) Solar or wind equipment manufactured outside of

Washington state;

(iv) That the electricity can be transformed or transmitted for entry into or operation in parallel with electricity transmission and distribution systems;

(v) The date that the renewable energy system received its final electrical permit from the applicable local jurisdiction.

(b) Within thirty days of receipt of the certification the department of revenue $((\frac{shall}{shall}))$ must notify the applicant by mail, or electronically as provided in RCW 82.32.135, whether the renewable energy system qualifies for an incentive under this section. The department may consult with the climate and rural energy development center to determine eligibility for the

incentive. System certifications and the information contained therein are subject to disclosure under RCW 82.32.330(3)(m).

(((4))) (3)(a) By August 1st of each year application for the incentive shall be made to the light and power business serving the situs of the system by certification in a form and manner prescribed by the department that includes, but is not limited to, the following information:

(i) The name and address of the applicant and location of the renewable energy system;

(ii) The applicant's tax registration number;

(iii) The date of the notification from the department of revenue stating that the renewable energy system is eligible for the incentives under this section;

(iv) A statement of the amount of kilowatt-hours generated by the renewable energy system in the prior fiscal year.

(b) Within sixty days of receipt of the incentive certification the light and power business serving the situs of the system shall notify the applicant in writing whether the incentive payment will be authorized or denied. The business may consult with the climate and rural energy development center to determine eligibility for the incentive payment. Incentive certifications and the information contained therein are subject to disclosure under RCW 82.32.330(3)(m).

(c)(i) Persons receiving incentive payments shall keep and preserve, for a period of five years, suitable records as may be necessary to determine the amount of incentive applied for and received. Such records shall be open for examination at any time upon notice by the light and power business that made the payment or by the department. If upon examination of any records or from other information obtained by the business or department it appears that an incentive has been paid in an amount that exceeds the correct amount of incentive payable, the business may assess against the person for the amount found to have been paid in excess of the correct amount of incentive payable and shall add thereto interest on the amount. Interest shall be assessed in the manner that the department assesses interest upon delinquent tax under RCW 82.32.050.

(ii) If it appears that the amount of incentive paid is less than the correct amount of incentive payable the business may authorize additional payment.

(((5))) (4) Except for community solar projects, the investment cost recovery incentive may be paid fifteen cents per economic development kilowatt-hour unless requests exceed the amount authorized for credit to the participating light and power business. For community solar projects, the investment cost recovery incentive may be paid thirty cents per economic development kilowatt-hour unless requests exceed the amount authorized for credit to the participating light and power business. For the purposes of this section, the rate paid for the investment cost recovery incentive may be multiplied by the following factors:

(a) For customer-generated electricity produced using solar modules manufactured in Washington state, two and four-tenths;

(b) For customer-generated electricity produced using a solar or a wind generator equipped with an inverter manufactured in Washington state, one and two-tenths;

(c) For customer-generated electricity produced using an anaerobic digester, or by other solar equipment or using a wind generator equipped with blades manufactured in Washington state, one; and

(d) For all other customer-generated electricity produced by wind, eight-tenths.

 $((\frac{(6)}{(6)})$ (5) No individual, household, business, or local governmental entity is eligible for incentives <u>provided under</u> <u>subsection (4) of this section</u> for more than $((\frac{two}{)})$ five thousand dollars per year. Each applicant in a community solar project is eligible for up to five thousand dollars per year.

(((7))) (6) If requests for the investment cost recovery incentive exceed the amount of funds available for credit to the participating light and power business, the incentive payments shall be reduced proportionately.

 $(((\frac{1}{3})))$ (7) The climate and rural energy development center at Washington State University energy program may establish guidelines and standards for technologies that are identified as

Washington manufactured and therefore most beneficial to the state's environment.

(((0))) (8) The environmental attributes of the renewable energy system belong to the applicant, and do not transfer to the state or the light and power business upon receipt of the investment cost recovery incentive. Sec. 506. RCW 82.16.130 and 2005 c 300 s 4 are each

Sec. 506. RCW 82.16.130 and 2005 c 300 s 4 are each amended to read as follows:

(1) A light and power business shall be allowed a credit against taxes due under this chapter in an amount equal to investment cost recovery incentive payments made in any fiscal year under RCW 82.16.120. The credit shall be taken in a form and manner as required by the department. The credit under this section for the fiscal year ((shall)) may not exceed ((twenty-five one-hundredths of)) one percent of the businesses' taxable power sales due under RCW 82.16.020(1)(b) or ((twenty-five)) one hundred thousand dollars, whichever is greater. Incentive payments to participants in a utility-owned community solar project as defined in RCW 82.16.110(1)(a)(ii) may only account for up to twenty-five percent of the total allowable credit. The credit may not exceed the tax that would otherwise be due under this chapter. Refunds shall not be granted in the place of credits. Expenditures not used to earn a credit in one fiscal year may not be used to earn a credit in subsequent years.

(2) For any business that has claimed credit for amounts that exceed the correct amount of the incentive payable under RCW 82.16.120, the amount of tax against which credit was claimed for the excess payments shall be immediately due and payable. The department shall assess interest but not penalties on the taxes against which the credit was claimed. Interest shall be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, retroactively to the date the credit was claimed, and shall accrue until the taxes against which the credit was claimed are repaid.

(3) The right to earn tax credits under this section expires June 30, $((\frac{2015}{2}))$ 2020. Credits may not be claimed after June 30, $((\frac{2016}{2}))$ 2021.

PART VI Livestock Nutrient Incentives

Sec. 601. RCW 82.08.890 and 2006 c 151 s 2 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales to eligible persons of:

(a) Qualifying livestock nutrient management equipment;

(b) Labor and services rendered in respect to installing, repairing, cleaning, altering, or improving qualifying livestock nutrient management equipment; and

<u>(c)(i) Labor and services rendered in respect to ((operating.))</u> repairing, cleaning, altering, or improving of <u>qualifying</u> livestock nutrient management ((equipment and)) facilities, or to ((sales of)) tangible personal property that becomes an ingredient or component of ((the equipment and)) <u>qualifying</u> livestock nutrient management facilities in the course of repairing, cleaning, altering, or improving of such facilities.

(ii) The exemption provided in this subsection (1)(c) does not apply to the sale of or charge made for: (A) Labor and services rendered in respect to the constructing of new, or replacing previously existing, qualifying livestock nutrient management facilities; or (B) tangible personal property that becomes an ingredient or component of qualifying livestock nutrient management facilities during the course of constructing new, or replacing previously existing, qualifying livestock nutrient management facilities.

(2)(((a) To be eligible, the equipment and facilities must be used exclusively for activities necessary to maintain a livestock nutrient management plan.

(b))) The exemption provided in subsection (1) of this section applies to sales made after the livestock nutrient management plan is: (((i))) (a) Certified under chapter 90.64 RCW; (((ii))) (b) approved as part of the permit issued under chapter 90.48 RCW; or (((iii))) (c) approved as required under subsection (4)(c)(iii) of this section.

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(3)(a) The department of revenue must provide an exemption certificate to an eligible person upon application by that person. The department of agriculture must provide a list of eligible persons, as defined in subsection (4)(c)(i) and (ii) of this section, to the department of revenue. Conservation districts must maintain lists of eligible persons as defined in subsection (4)(c)(iii) of this section to allow the department of revenue to verify eligibility. The application must be in a form and manner prescribed by the department and must contain information regarding the location of the dairy or animal feeding operation and other information the department may require.

(b) A person claiming an exemption under this section must keep records necessary for the department to verify eligibility under this section. The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(4) The definitions in this subsection apply to this section and RCW 82.12.890 unless the context clearly requires otherwise:

(a) "Animal feeding operation" means a lot or facility, other than an aquatic animal production facility, where the following conditions are met:

(i) Animals, other than aquatic animals, have been, are, or will be stabled or confined and fed or maintained for a total of forty-five days or more in any twelve-month period; and

(ii) Crops, vegetation, forage growth, or postharvest residues are not sustained in the normal growing season over any portion of the lot or facility.

(b) "Conservation district" means a subdivision of state government organized under chapter 89.08 RCW.

(c) "Eligible person" means a person: (i) Licensed to produce milk under chapter 15.36 RCW who has a certified dairy nutrient management plan, as required by chapter 90.64 RCW; (ii) who owns an animal feeding operation and has a permit issued under chapter 90.48 RCW; or (iii) who owns an animal feeding operation and has a nutrient management plan approved by a conservation district as meeting natural resource conservation service field office technical guide standards and who possesses an exemption certificate under RCW 82.08.855

(d) (("Livestock nutrient management equipment and facilities" means machinery, equipment, and structures used in the handling and treatment of livestock manure, such as aerators, agitators, alley scrapers, augers, dams, gutter cleaners, loaders lagoons, pipes, pumps, separators, and tanks. The term also includes tangible personal property that becomes an ingredient or component of the equipment and facilities, including repair and replacement parts)) "Handling and treatment of livestock manure" means the activities of collecting, storing, moving, or transporting livestock manure, separating livestock manure solids from liquids, or applying livestock manure to the agricultural lands of an eligible person other than through the use of pivot or linear type traveling irrigation systems.

(e) "Permit" means either a state waste discharge permit or a national pollutant discharge elimination system permit, or both.

(f) "Qualifying livestock nutrient management equipment" means the following tangible personal property for exclusive use in the handling and treatment of livestock manure, including repair and replacement parts for such equipment: (i) Aerators; (ii) agitators; (iii) augers; (iv) conveyers; (v) gutter cleaners; (vi) hard-hose reel traveler irrigation systems; (vii) lagoon and pond liners and floating covers; (viii) loaders; (ix) manure composting devices; (x) manure spreaders; (xi) manure tank wagons; (xii) manure vacuum tanks; (xiii) poultry house cleaners; (xiv) poultry house flame sterilizers; (xv) poultry house washers; (xvi) poultry litter saver machines; (xvii) pipes; (xviii) pumps; (xix) scrapers; (xx) separators; (xxi) slurry injectors and hoses; and (xxii) wheelbarrows, shovels, and pitchforks.

(g) "Qualifying livestock nutrient management facilities" means the following structures and facilities for exclusive use in the handling and treatment of livestock manure: (i) Flush systems; (ii) lagoons; (iii) liquid livestock manure storage structures, such as concrete tanks or glass-lined steel tanks; and (iv) structures used solely for the dry storage of manure, including roofed stacking facilities.

Sec. 602. RCW 82.12.890 and 2006 c 151 s 3 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use by an eligible person of ((tangible personal property that becomes an ingredient or component of livestock nutrient management equipment and facilities, as defined in RCW 82.08.890, or to labor and services rendered in respect to repairing, cleaning, altering, or improving eligible tangible personal property)):

(a) Qualifying livestock nutrient management equipment

(b) Labor and services rendered in respect to installing, repairing, cleaning, altering, or improving qualifying livestock nutrient management equipment; and

(c)(i) Tangible personal property that becomes an ingredient or component of qualifying livestock nutrient management facilities in the course of repairing, cleaning, altering, or improving of such facilities.

(ii) The exemption provided in this subsection (1)(c) does not apply to the use of tangible personal property that becomes an ingredient or component of qualifying livestock nutrient management facilities during the course of constructing new, or replacing previously existing, qualifying livestock nutrient management facilities

(2)(a) To be eligible, the equipment and facilities must be used exclusively for activities necessary to maintain a livestock nutrient management plan.

(b) The exemption applies to the use of tangible personal property ((or)) and labor and services made after the livestock nutrient management plan is: (i) Certified under chapter 90.64 RCW; (ii) approved as part of the permit issued under chapter 90.48 RCW; or (iii) approved as required under RCW 82.08.890(4)(c)(iii).

(3) The exemption certificate and recordkeeping requirements of RCW 82.08.890 apply to this section. The definitions in RCW 82.08.890 apply to this section.

PART VII Log Trucks

Sec. 701. RCW 82.16.010 and 2007 c 6 s 1023 are each amended to read as follows:

For the purposes of this chapter, unless otherwise required by the context:

(1) "Railroad business" means the business of operating any railroad, by whatever power operated, for public use in the conveyance of persons or property for hire. It shall not, however, include any business herein defined as an urban transportation business.

(2) "Express business" means the business of carrying property for public hire on the line of any common carrier operated in this state, when such common carrier is not owned or leased by the person engaging in such business.

(3) "Railroad car business" means the business of operating correction of the basic of the state of the property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person

engaging in such business. (4) "Water distribution business" means the business of operating a plant or system for the distribution of water for hire or sale.

(5) "Light and power business" means the business of operating a plant or system for the generation, production or distribution of electrical energy for hire or sale and/or for the wheeling of electricity for others.
 (6) "Telegraph business" means the business of affording

telegraphic communication for hire.

(7) "Gas distribution business" means the business of operating a plant or system for the production or distribution for hire or sale of gas, whether manufactured or natural.

(8) "Motor transportation business" means the business (except urban transportation business) of operating any motor propelled vehicle by which persons or property of others are conveyed for hire, and includes, but is not limited to, the

operation of any motor propelled vehicle as an auto transportation company (except urban transportation business), common carrier or contract carrier as defined by RCW 81.68.010 and 81.80.010((: PROVIDED, That)). However, "motor transportation business" shall not mean or include: (a) A log transportation business; or (b) the transportation of logs or other forest products exclusively upon private roads or private highways.

(9) "Urban transportation business" means the business of operating any vehicle for public use in the conveyance of persons or property for hire, insofar as (a) operating entirely within the corporate limits of any city or town, or within five miles of the corporate limits thereof, or (b) operating entirely within and between cities and towns whose corporate limits are not more than five miles apart or within five miles of the corporate limits of either thereof. Included herein, but without limiting the scope hereof, is the business of operating passenger vehicles of every type and also the business of operating cartage, pickup, or delivery services, including in such services the collection and distribution of property arriving from or destined to a point within or without the state, whether or not such collection or distribution be made by the person performing a local or interstate line-haul of such property.

(10) "Log transportation business" means the business of transporting logs by truck, other than exclusively upon private roads.

 $\overline{(11)}(a)$ "Public service business" means any of the businesses defined in subsections (1), (2), (3), (4), (5), (6), (7), (8), and (9) of this section or any business subject to control by the state, or having the powers of eminent domain and the duties incident thereto, or any business hereafter declared by the legislature to be of a public service nature, except telephone business and low-level radioactive waste site operating companies as redefined in RCW 81.04.010. It includes, among others, without limiting the scope hereof: Airplane transportation, boom, dock, ferry, pipe line, toll bridge, toll logging road, water transportation and wharf businesses.

(b) The definitions in this subsection (((10))) (11)(b) apply throughout this subsection (((10))) (11).

(i) "Competitive telephone service" has the same meaning as in RCW 82.04.065.

(ii) "Network telephone service" means the providing by any person of access to a telephone network, telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" includes the provision of transmission to and from the site of an internet provider via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" does not include the providing of competitive telephone service; the providing of cable television service, the providing of broadcast services by radio or television stations, nor the provision of internet service as defined in RCW 82.04.297, including the reception of dial-in connection, provided at the site of the internet service provider.

connection, provided at the site of the internet service provider. (iii) "Telephone business" means the business of providing network telephone service. It includes cooperative or farmer line telephone companies or associations operating an exchange.

line telephone companies or associations operating an exchange. (iv) "Telephone service" means competitive telephone service or network telephone service, or both, as defined in (b)(i) and (ii) of this subsection.

(b)(i) and (ii) of this subsection. (((11))) (12) "Tugboat business" means the business of operating tugboats, towboats, wharf boats or similar vessels in the towing or pushing of vessels, barges or rafts for hire. (((12))) (13) "Gross income" means the value proceeding or

(((12))) (13) "Gross income" means the value proceeding or accruing from the performance of the particular public service or transportation business involved, including operations incidental thereto, but without any deduction on account of the cost of the commodity furnished or sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

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(((13))) (14) The meaning attributed, in chapter 82.04 RCW, to the term "tax year," "person," "value proceeding or accruing," "business," "engaging in business," "in this state," "within this state," "cash discount" and "successor" shall apply equally in the provisions of this chapter.

Sec. 702. RCW 82.16.020 and 1996 c 150 s 2 are each amended to read as follows:

(1) There is levied and there shall be collected from every person a tax for the act or privilege of engaging within this state in any one or more of the businesses herein mentioned. The tax shall be equal to the gross income of the business, multiplied by the rate set out after the business, as follows:

(a) Express, sewerage collection, and telegraph businesses: Three and six-tenths percent;

(b) Light and power business: Three and sixty-two onehundredths percent;

(c) Gas distribution business: Three and six-tenths percent;

(d) Urban transportation business: Six-tenths of one percent;

(c) Vessels under sixty-five feet in length, except tugboats, operating upon the waters within the state: Six-tenths of one percent;

(f) Motor transportation, railroad, railroad car, and tugboat businesses, and all public service businesses other than ones mentioned above: One and eight-tenths of one percent;

(g) Water distribution business: Four and seven-tenths percent;

(h) Log transportation business: One and twenty-eight onehundredths percent. (2) An additional tax is imposed equal to the rate specified

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

(3) Twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses shall be deposited in the public works assistance account created in RCW 43.155.050.

PART VIII Hybrid Vehicles

<u>NEW SECTION.</u> Sec. 801. The following acts or parts of acts are each repealed:

(1) RCW 82.08.813 (Exemptions--High gas mileage vehicles) and 2005 c 296 s 2; and

(2) RCW 82.12.813 (Exemptions--High gas mileage vehicles) and 2005 c 296 s 4.

Sec. 802. RCW 82.08.020 and 2006 c 1 s 3 are each amended to read as follows:

(1) There is levied and there shall be collected a tax on each retail sale in this state equal to six and five-tenths percent of the selling price.

(2) There is levied and there shall be collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection shall be deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection shall be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section shall be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this

subsection shall be deposited in the performance audits of government account created in RCW 43.09.475.

(6) The taxes imposed under this chapter shall apply to successive retail sales of the same property. (7)(a) Until January 1, 2011, the tax imposed in subsection

(3) of this section and the dedication of revenue provided for in subsection (5) of this section, do not apply with respect to the sales of new passenger cars, light duty trucks, and medium duty passenger vehicles, which utilize hybrid technology and have a United States environmental protection agency estimated highway gasoline mileage rating of at least forty miles per gallon.

(b) As used in this subsection, "hybrid technology" means propulsion units powered by both electricity and gasoline.

(8) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

PART IX **Renewable Energy Manufacturing Projects**

<u>NEW SECTION.</u> Sec. 901. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible investment project" means an investment project that: (a) Does not qualify as an eligible investment project under chapter 82.60 RCW; and (b) is located in a county with a population density of more than five hundred persons per square mile that does not contain a community empowerment zone designated under RCW 43.31C.020, and that is not one of the three most populous counties in this state.

(4)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in section 902 of this act; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in section 902 of this act.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of construction" applies separately to each phase.

(5) "Investment project" means a minimum investment of twenty-five million dollars in qualified buildings, qualified machinery and equipment, or both, including labor and services rendered in the planning, installation, and construction of the project.

(6) "Manufacturing" has the same meaning as "to manufacture" in RCW 82.04.120 and includes the activities of processors for hire.

(7) "Person" has the meaning given in RCW 82.04.030.
(8)(a) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity, used for renewable energy manufacturing, research and development, or both. "Qualified buildings" include plant offices, warehouses, or other facilities for the storage of raw material or finished goods, if such facilities are an essential or an integral part of a factory, plant, or laboratory used for renewable energy manufacturing, research and development, or both

(b) For purposes of the twenty-five million dollar threshold in subsection (5) of this section, "qualified buildings" includes: (i) Existing structures acquired for the purpose of renewable energy manufacturing, research and development, or both; and (ii) the land upon which qualified buildings are located.

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(9) "Qualified machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a renewable energy manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(10) "Recipient" means a person receiving a tax deferral under this chapter.

(11) "Renewable energy manufacturing" means the manufacturing of materials, components, or equipment for solar, wind, bioenergy, or geothermal energy systems.

(12) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process related to renewable energy manufacturing before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

NEW SECTION. Sec. 902. (1) The lessor or owner of a qualified building is not eligible for a deferral under this chapter unless

(a) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(b)(i) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee in the form of reduced rent payments; and

(ii) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual survey under section 906 of this act.

(2) The economic benefit of the deferral to the lessee may be evidenced by any type of payment, credit, or any other financial arrangement between the lessor or owner of the qualified

building and the lessee. <u>NEW SECTION.</u> Sec. 903. If a building is used partly for renewable energy manufacturing or research and development and partly for other purposes, the applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.

NEW SECTION. Sec. 904. (1) Application for deferral of taxes under this chapter must be made before initiation of construction of the investment project or acquisition of machinery and equipment. The application must be made to the department in a form and manner prescribed by the department. The application must contain information regarding the location of the investment project, estimated or actual costs of the investment project, time schedules for completion and operation, and other information required by the department.

(2) The department must rule on the application within sixty days. The department must keep a running total of the estimated tax that will be deferred under this chapter during the 2009-2011 and 2011-2013 fiscal biennia. The department must disallow any deferral application or portion of any deferral application that would cause the total estimated amount of state sales and use taxes deferred statewide under this chapter to exceed one million five hundred thousand dollars during the four-year period of the 2009-2011 and 2011-2013 fiscal biennia.

(3) The department must disallow any taxes deferred that would cause the total amount of taxes deferred under this section by all recipients to exceed one million five hundred thousand dollars during the four-year period of the 2009-2011 and 2011-2013 fiscal biennia. If this limitation is reached, the department must provide notification to all recipients that the limitation has been met. The notice must indicate the amount of tax due and must provide that the tax be paid within thirty days from the date of such notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the

due date specified in the notice, or any extension thereof. <u>NEW SECTION</u>. Sec. 905. (1) The department must issue a sales and use tax deferral certificate for state and local sales and use taxes imposed or authorized under chapters 82.08,

82.12, 82.14, and 81.104 RCW on each eligible investment project.

(2) This section expires June 30, 2013.

<u>NÉW SECTION.</u> Sec. 906. (1)(a) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how a tax incentive is used.

(b) Each recipient of a deferral granted under this chapter must complete an annual survey. If the economic benefits of the deferral are passed to a lessee as provided in section 902 of this act, the lessee must complete the annual survey and the applicant is not required to complete the annual survey. The survey is due by April 30th of the year following the calendar year in which the investment project is certified by the department as having been operationally complete and each of the seven succeeding calendar years. The department may extend the due date for timely filing of annual surveys under this section as provided in RCW 82.32.590. The survey must include the amount of tax deferred. The survey must also include the following information for employment positions in Washington:

(i) The number of total employment positions;

(ii) Full-time, part-time, and temporary employment positions as a percent of total employment;

(iii) The number of employment positions according to the following wage bands: Less than thirty thousand dollars; thirty thousand dollars or greater, but less than sixty thousand dollars; and sixty thousand dollars or greater. A wage band containing fewer than three individuals may be combined with another wage band; and

(iv) The number of employment positions that have employer-provided medical, dental, and retirement benefits, by each of the wage bands.

(c) As part of the annual survey, the department may request additional information necessary to measure the results of, or determine eligibility for, the deferral program.

(d) If the person filing a survey under this section did not file a survey with the department in the previous calendar year, the survey filed under this section must also include the employment, wage, and benefit information required under (b)(i) through (iv) of this subsection for the calendar year immediately preceding the preceding calendar year.

immediately preceding the preceding calendar year. (e)(i) Except as otherwise provided, all information collected under this subsection, except the amount of the tax deferral taken, is deemed taxpayer information under RCW 82.32.330. Information on the amount of tax deferral taken is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request, except as otherwise provided in this subsection.

(ii) If the amount of the tax deferral taken as reported on the survey is different than the amount actually taken or otherwise allowed by the department based on information known to the department, the amount actually taken or allowed may be disclosed.

(iii) Recipients for whom the actual amount of the tax deferral taken is less than ten thousand dollars during the period covered by the survey may request the department to treat the amount of the tax savings as confidential under RCW 82.32.330.

(f) The department must use the information from this section to prepare summary descriptive statistics by category. No fewer than three taxpayers may be included in any category. The department must report these statistics to the legislature each year by October 1st.

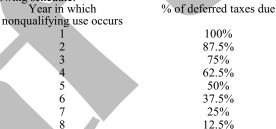
(2)(a) If a recipient of the deferral fails to complete the annual survey required under subsection (1) of this section by the date due or any extension under RCW 82.32.590, twelve and one-half percent of the deferred tax is immediately due. If the economic benefits of the deferral are passed to a lessee as provided in section 902 of this act, the lessee will be responsible for payment to the extent the lesse has received the economic benefit. The department must assess interest, but not penalties, on the amounts due under this section. The interest must be

assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, and accrues until the amounts due are repaid.

(b) A recipient who must repay deferred taxes under section 907(2) of this act because the department has found that an investment project is used for purposes other than renewable energy manufacturing or research and development is no longer required to file annual surveys under this section beginning on the date an investment project is used for nonqualifying purposes.

<u>NEW SECTION.</u> Sec. 907. (1) Except as provided in subsection (2) of this section, taxes deferred under this chapter need not be repaid.

(2) If, on the basis of the survey under section 906 of this act or other information, the department finds that an investment project is used for purposes other than renewable energy manufacturing or research and development at any time during the calendar year in which the investment project is certified by the department as having been operationally completed, or at any time during any of the seven succeeding calendar years, a portion of deferred taxes are immediately due according to the following schedule: Year in which % of deferred taxes due



(3) The department must assess interest, but not penalties, on the deferred taxes under subsection (2) of this section. The interest must be assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, retroactively to the date of deferral, and accrues until the deferred taxes are repaid. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

(4) Notwithstanding subsection (2) of this section, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

<u>NEW SECTION.</u> Sec. 908. Chapter 82.32 RCW applies to the administration of this chapter.

NEW SECTION. Sec. 909. Applications approved by the department under this chapter are not confidential and are subject to disclosure.

Sec. 910. RCW 82.32.590 and 2008 c 81 s 13 and 2008 c 15 s 7 are each reenacted and amended to read as follows:

(1) If the department finds that the failure of a taxpayer to file an annual survey or annual report under section 906 of this act or RCW 82.04.4452, 82.32.5351, 82.32.650, 82.32.630, 82.32.610, 82.82.020, or 82.74.040 by the due date was the result of circumstances beyond the control of the taxpayer, the department shall extend the time for filing the survey or report. Such extension shall be for a period of thirty days from the date the department issues its written notification to the taxpayer that it qualifies for an extension under this section. The department may grant additional extensions as it deems proper.

(2) In making a determination whether the failure of a taxpayer to file an annual survey or annual report by the due date was the result of circumstances beyond the control of the taxpayer, the department shall be guided by rules adopted by the department for the waiver or cancellation of penalties when the underpayment or untimely payment of any tax was due to circumstances beyond the control of the taxpayer.

Sec. 911. RCW 82.32.600 and 2008 c 81 s 14 and 2008 c 15 s 8 are each reenacted and amended to read as follows:

(1) Persons required to file annual surveys or annual reports under <u>section 906 of this act or</u> RCW 82.04.4452, 82.32.5351, 82.32.545, 82.32.610, 82.32.630, 82.82.020, or 82.74.040 must electronically file with the department all surveys, reports, returns, and any other forms or information the department requires in an electronic format as provided or approved by the department. As used in this section, "returns" has the same meaning as "return" in RCW 82.32.050.

(2) Any survey, report, return, or any other form or information required to be filed in an electronic format under subsection (1) of this section is not filed until received by the department in an electronic format.

(3) The department may waive the electronic filing requirement in subsection (1) of this section for good cause shown

NEW SECTION. Sec. 912. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing the tax imposed under this chapter, a renewable energy manufacturer may claim a credit for its eligible investment project expenditures occurring after the effective date of this act through June 30, 2014.

(2) Any credits earned under this section must be accrued and carried forward and may not be used until July 1, 2011. The credit is equal to the amount of eligible investment project expenditures, multiplied by the rate of twenty-five percent. Credit may be carried over and used until June 30, 2024. The credit claimed against taxes due for each calendar year must not exceed the amount of tax otherwise due under this chapter for the calendar year. Refunds may not be granted in the place of a credit

(3) Credits are available on a first in-time basis. department must disallow any credits, or portion thereof, that would cause the total amount of credits claimed statewide under this section in any fiscal year to exceed the following limits: Two million five hundred thousand dollars for fiscal year 2012, two million five hundred thousand dollars for fiscal year 2013, five million dollars for fiscal year 2014, and five million dollars for each fiscal year thereafter until the fiscal year ending June 30, 2024. If the fiscal year limitation is reached, the department shall provide notification to persons claiming credits that the annual statewide limit has been met. The notice must indicate the amount of tax due and shall provide that the tax be paid within thirty days from the date of such notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any extension thereof. (4) The definitions in this subsection apply throughout this section unless the context clearly requires

otherwise. (a) "Eligible investment project" means an investment project that: (i) Does not qualify as an eligible investment project under chapter 82.60 RCW; and (ii) is located in a county with a population density of more than five hundred persons per square mile that does not contain a community empowerment zone designated under RCW 43.31C.020, and that is not one of the three most populous counties in this state.

(b) "Eligible investment project expenditures" means actual expenditures for an eligible investment project, including labor and services rendered in the planning, installation, and construction of the project.

(c) "Investment project" means a twenty-five million dollar minimum investment in qualified buildings, qualified machinery and equipment, or both.

(d) "Manufacturing" has the same meaning as "to manufacture" in RCW 82.04.120 and includes the activities of processors for hire.

(e) "Person" has the meaning given in RCW 82.04.030. (f)(i) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity, used for renewable energy manufacturing, research and development, or both. "Qualified buildings" include plant offices, warehouses, or other facilities for the storage of raw

material or finished goods, if such facilities are an essential or an integral part of a factory, plant, or laboratory used for renewable energy manufacturing, research and development, or both.

(ii) For purposes of the twenty-five million dollar threshold in (c) of this subsection (4), "qualified buildings" includes: (A) Existing structures acquired for the purpose of renewable energy manufacturing, research and development, or both; and (B) the land upon which qualified buildings are located.

(g) "Qualified machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a renewable energy manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(h) "Renewable energy manufacturing" means the manufacturing of materials, components, or equipment for solar, wind, bioenergy, or geothermal energy systems.

(i) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process related to renewable energy manufacturing before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

(5) Credit may not be claimed for expenditures for which a credit is claimed under RCW 82.04.4452.

(6) This section expires June 30, 2024. <u>NEW SECTION.</u> Sec. 913. A new section is added to chapter 82.04 RCW to read as follows:

In addition to all other requirements under this title, a person claiming the credit under section 912 of this act must file a complete annual report with the department under section 915 of this act.

NEW SECTION. Sec. 914. A new section is added to chapter 82.04 RCW to read as follows:

In addition to all other requirements under this title, a person claiming the credit under section 912 of this act must file a complete annual report with the department under section 102,

chapter ..., Laws of 2009 (Substitute House Bill No. 1597). <u>NEW SECTION.</u> Sec. 915. A new section is added to chapter 82.32 RCW to read as follows:

(1)(a) Every person claiming a tax preference in section 912 of this act must file a complete annual survey with the department.

The survey is due by April 30th of the year following any calendar year in which a person becomes eligible to claim the tax preference that requires a survey under this section.

(b) The department may extend the due date for timely filing of annual surveys under this section as provided in RCW 82.32.590.

(2)(a) The survey must include the amount of the tax preference claimed for the calendar year covered by the survey.

(b) The survey must also include the following information for employment positions in Washington, not to include names of employees, for the year that the tax preference was claimed:

(i) The number of total employment positions;

(ii) Full-time, part-time, and temporary employment positions as a percent of total employment;

(iii) The number of employment positions according to the following wage bands: Less than thirty thousand dollars; thirty thousand dollars or greater, but less than sixty thousand dollars; and sixty thousand dollars or greater. A wage band containing fewer than three individuals may be combined with another wage band; and (iv) The number of employment positions that have

employer-provided medical, dental, and retirement benefits, by each of the wage bands.

(c) If the person filing a survey under this section did not file a survey with the department in the previous calendar year, the survey filed under this section must also include the

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employment, wage, and benefit information required under (b)(i) through (iv) of this subsection for the calendar year immediately preceding the calendar year for which a tax preference was claimed.

(3) As part of the annual survey, the department may request additional information necessary to measure the results of, or determine eligibility for, the tax preference.

(4) All information collected under this section, except the amount of the tax preference claimed, is deemed taxpayer information under RCW 82.32.330. Information on the amount of tax preference claimed is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request, except as provided in subsection (5) of this section. If the amount of the tax preference claimed as reported on the survey is different than the amount actually claimed or otherwise allowed by the department based on the taxpayer's excise tax returns or other information known to the department, the amount actually claimed or allowed may be disclosed.

(5) Persons for whom the actual amount of the tax reduced or saved is less than ten thousand dollars during the period covered by the survey may request the department to treat the amount of the tax reduction or savings as confidential under RCW 82.32.330.

(6)(a) Except as otherwise provided by law, if a person claims a tax preference that requires an annual survey under this section but fails to submit a complete annual survey by the due date of the survey or any extension under RCW 82.32.590, the department must declare the amount of the tax preference claimed for the previous calendar year to be immediately due. If the tax preference is a deferral of tax, twelve and one-half percent of the deferred tax is immediately due. If the economic benefits of the deferral are passed to a lessee, the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(b) The department must assess interest, but not penalties, on the amounts due under this subsection. The interest must be assessed at the rate provided for delinquent taxes under this chapter, retroactively to the date the tax preference was claimed, and accrues until the taxes for which the tax preference was claimed are repaid. Amounts due under this subsection are not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(7) The department must use the information from this section to prepare summary descriptive statistics by category. No fewer than three taxpayers may be included in any category. The department must report these statistics to the legislature each year by October 1st.

(a) "Person" has the meaning provided in RCW 82.04.030 and also includes the state and its departments and institutions.

(b) "Tax preference" has the meaning provided in RCW 43.136.021 and includes only the tax preferences requiring a survey under this section.

NEW SECTION. Sec. 916. Sections 901 through 909 of this act constitute a new chapter in Title 82 RCW.

NEW SECTION. Sec. 917. Sections 913 and 915 of this act take effect, unless section 102, chapter . . ., Laws of 2009 (Substitute House Bill No. 1597) is enacted by the legislature.

NEW SECTION. Sec. 918. Section 914 of this act takes effect only if section 102, chapter . . ., Laws of 2009 (Substitute House Bill No. 1597) is enacted by the legislature.

PART X Miscellaneous

<u>NEW SECTION.</u> Sec. 1001. Part headings used in this act are not any part of the law. <u>NEW SECTION.</u> Sec. 1002. Except for sections 801 and

802 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2009. <u>NEW SECTION.</u> Sec. 1003. Sections 801 and 802 of this

act take effect August 1, 2009.

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NEW SECTION. Sec. 1004. Section 802 of this act expires January 1, 2011. NEW SECTION. Sec. 1005. Sections 701 and 702 of this

act expire June 30, 2013.

Senators Hobbs, Honeyford and Marr spoke in favor of adoption of the striking amendment.

MOTION

On motion of Senator Marr, Senators Brown and McAuliffe were excused.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Hobbs and Honeyford to Second Substitute House Bill No. 2130.

The motion by Senator Hobbs carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "incentives;" strike the remainder of the title and insert "amending RCW 81.104.170, 82.14.050, 82.14.060, 82.04.263, 82.04.294, 82.08.9651, 82.12.9651, 82.16.110, 82.16.120, 82.16.130, 82.08.890, 82.12.890, 82.16.010, 82.16.020, and 82.08.020; reenacting and amending RCW 82.32.590 and 82.32.600; adding new sections to chapter 82.08 RCW; adding new sections to chapter 82.12 RCW; adding a new section to chapter 82.14 RCW; adding new sections to chapter 82.04 RCW; adding a new section to chapter 82.32 RCW; adding a new chapter to Title 82 RCW; creating new sections; repealing RCW 82.08.813 and 82.12.813; providing effective dates; providing contingent effective dates; providing expiration dates; and declaring an emergency."

MOTION

On motion of Senator Rockefeller the rules were suspended, Second Substitute House Bill No. 2130 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Rockefeller spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 2130 as amended by the Senate

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 2130 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 44; Nays, 2; Absent, 0; Excused, 3.

Voting yea: Senators Becker, Berkey, Brandland, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Swecker, Tom and Zarelli

Voting nay: Senators Holmquist and Stevens

Excused: Senators Benton, Brown and McAuliffe

SECOND SUBSTITUTE HOUSE BILL NO. 2130 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Second Substitute House Bill No. 2130 was immediately transmitted to the House of Representatives.

MOTION

At 4:50 p.m., on motion of Senator McDermott, the Senate was declared at recess until 5:15 p.m..

EVENING SESSION

The Senate was called to order at 5:15 p.m. by President Owen.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 2363, by House Committee on Ways & Means (originally sponsored by Representative Linville)

Temporarily suspending cost-of-living increases for educational employees.

The measure was read the second time.

MOTION

Senator Tom moved that the following committee striking amendment by the Committee on Ways & Means be adopted.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 28A.400.205 and 2003 1st sp.s. c 20 s 1 are each amended to read as follows:

(1) School district employees shall be provided an annual salary cost-of-living increase in accordance with this section.

(a) The cost-of-living increase shall be calculated by applying the rate of the yearly increase in the cost-of-living index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the 2001-02 school year, and for each subsequent school year, except for the ((2003-04)) 2009-10 and ((2004-05)) 2010-11 school years, each school district shall be provided a cost-of-living allocation sufficient to grant this cost-of-living increase.

(b) A school district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent funds provided for cost-of-living increases on salaries and salaryrelated benefits.

(c) Any funded cost-of-living increase shall be included in the salary base used to determine cost-of-living increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual cost-ofliving increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation schedule established under RCW 28A.150.410 and to any other salary models used to recognize school district personnel costs.

(d) In addition to the cost-of-living allocations required by (a) of this subsection, beginning in the 2011-2013 fiscal biennium and thereafter the legislature shall provide on an expedited basis, to the extent financially feasible, additional cost-of-living allocations equal to what would have been received if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school year.

(2) For the purposes of this section, "cost-of-living index" means, for any school year, the previous calendar year's annual

average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

Sec. 2. RCW 28B.50.465 and 2003 1st sp.s. c 20 s 3 are each amended to read as follows:

(1) Academic employees of community and technical college districts shall be provided an annual salary cost-of-living increase in accordance with this section. For purposes of this section, "academic employee" has the same meaning as defined in RCW 28B.52.020.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each college district shall receive a cost-of-living allocation sufficient to increase academic employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A college district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each college district shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for academic employees in subsequent years.

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the ((2003-04)) 2009-2010 and ((2004-05)) 2010-2011 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

(e) In addition to the cost-of-living allocations required by (a) of this subsection, beginning in the 2011-2013 fiscal biennium and thereafter the legislature shall provide on an expedited basis, to the extent financially feasible, additional cost-of-living allocations equal to what would have been received if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school year.

(2) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the bundaries of the state, and including all items shall be used for the cost-of-living index in this section.

Sec. 3. RCW 28B.50.468 and 2003 1st sp.s. c 20 s 4 are each amended to read as follows:

(1) Classified employees of technical colleges shall be provided an annual salary cost-of-living increase in accordance with this section. For purposes of this section, "technical college" has the same meaning as defined in RCW 28B.50.030. This section applies to only those classified employees under the jurisdiction of chapter 41.56 RCW.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each technical college board of trustees shall receive a cost-of-living allocation sufficient to increase classified employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A technical college board of trustees shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the technical college's salary schedules,

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collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each technical college shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salaryrelated benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for technical college classified employees in subsequent years.

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the ((2003-2004)) 2009-2010 and ((2004-2005)) 2010-2011 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

(e) In addition to the cost-of-living allocations required by (a) of this subsection, beginning in the 2011-2013 fiscal biennium and thereafter the legislature shall provide on an expedited basis, to the extent financially feasible, additional cost-of-living allocations equal to what would have been received if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school year.

(2) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2009."

Senator Tom spoke in favor of adoption of the committee striking amendment.

MOTION

Senator Marr moved that the following amendment by Senators Marr, Kilmer and Kauffman be adopted.

On page 2, beginning on line 3, strike subsection (d) through line 8 and replace with new subsection:

"(d) During the 2011-2013 and 2013-2015 fiscal biennia, in addition to cost-of-living allocations required by (a) of this subsection, school districts shall receive additional cost-of-living allocations in equal increments such that by the end of the 2014-15 school year school district employee base salaries used with the statewide salary allocation schedule established under RCW 28A.150.410 and any other state salary models used to recognize school district personnel costs are, at a minimum, equal to what they would have been if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school years."

On page 3, beginning on line 12, strike subsection (e) through line 17 and replace with new subsection:

"(e) During the 2011-2013 and 2013-2015 fiscal biennia, in addition to cost-of-living allocations required by (a) of this subsection, community and technical college districts shall receive additional cost-of-living allocations in equal increments such that, by the end of the 2014-15 academic year, average salaries of academic employees of community and technical college districts will be, at a minimum, equal to what salaries would have been if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school years."

On page 4, beginning on line 23, strike subsection (e) through line 28 and replace with new subsection:

"(e) During the 2011-2013 and 2013-2015 fiscal biennia, in addition to cost-of-living allocations required by (a) of this

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subsection, technical college districts shall receive additional cost-of-living allocations in equal increments such that, by the end of the 2014-15 academic year, average salaries of classified employees of technical college districts will be, at a minimum, equal to what salaries would have been if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school years."

Senator Marr spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Tom spoke against adoption of the amendment to the committee striking amendment.

POINT OF INQUIRY

Senator Pflug: "Would the Senator from the Sixth District yield to a question? So, I'm wanting to understand if your amendment was adopted would the amount that the legislature would be making up in the future reflect what the actual inflation is from, in the coming biennium?"

Senator Marr: "My understanding is that this would actually rebase the increases so that, yes, they would be made up and it would be assumed that going forward those increases would of been in place in the two biennium which they were skipped."

Senator Pflug: "Is it as previously predicted inflation would be or as inflation actually turns out to be?"

Senator Marr: "Well, I have to say that the specific interpretation I don't have here. I imagine there's some degree of vagueness in this that would have to be interpreted but no more than other legislation."

The President declared the question before the Senate to be the adoption of the amendment by Senators Marr, Kilmer and Kauffman on page 2, line 3 to the committee striking amendment to Substitute House Bill No. 2363.

The motion by Senator Marr carried and the amendment to the committee striking amendment was adopted by a rising vote.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means as amended to Substitute House Bill No. 2363.

The motion by Senator Tom carried and the committee striking amendment as amended was adopted by voice vote.

MOTION

On motion of Senator Eide, further consideration of Substitute House Bill No. 2363 was deferred and the bill held its place on the second reading calendar.

MOTION

At 5:58 p.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 6:50 p.m. by President Owen.

PERSONAL PRIVILEGE

Senator McCaslin: "I just discovered, just discovered, during the moments we were off the floor that Aaron, the photographer, and I were born in the same home town in Warren, Ohio and we attended the same high school. Now, if he graduated when I did he's sure taken better care of himself than I have. But anyway, I knew there was something special about

him and I just wanted you to learn that. Thank you Mr. President."

The Senate resumed consideration of Substitute House Bill No. 2363 deferred earlier in the day.

MOTION

On motion of Senator Tom, the rules were suspended, Substitute House Bill No. 2363 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Tom spoke in favor of passage of the bill.

Senator Zarelli spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 2363 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2363 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 28; Nays, 20; Absent, 0; Excused, 1.

Voting yea: Senators Berkey, Brown, Eide, Franklin, Fraser, Hargrove, Hatfield, Hobbs, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Shin and Tom

Voting nay: Senators Becker, Brandland, Carrell, Delvin, Fairley, Haugen, Hewitt, Holmquist, Honeyford, Jacobsen, King, McCaslin, Morton, Parlette, Roach, Schoesler, Sheldon, Stevens, Swecker and Zarelli

Excused: Senator Benton

SUBSTITUTE HOUSE BILL NO. 2363 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

REMARKS BY THE PRESIDENT

President Owen: "Senator Roach, the President would like to note today that it is somebody's birthday and I believe that it's Senator Roach's. I'd appreciate it if you'd help me wish her a happy birthday."

SIGNED BY THE PRESIDENT

The President signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5263, SUBSTITUTE SENATE BILL NO. 5499, SUBSTITUTE SENATE BILL NO. 5510, SUBSTITUTE SENATE BILL NO. 5795, SENATE BILL NO. 6126, ENGROSSED SENATE BILL NO. 6158, SUBSTITUTE SENATE BILL NO. 6161, SUBSTITUTE SENATE BILL NO. 6162,

RULING BY THE PRESIDENT

President Owen: "In ruling upon the point of order raised by Senator Brandland as to the application of Initiative Number 960 to Senate Bill 6096, the President finds and rules as follows:

As was the case with several other recent rulings involving I-960, this bill is argued to be a clarification of existing law, not the imposition of a new tax. The President has, over this past Session, struggled with the provisions of I-960 and noted on a number of occasions the difficulties with interpreting some of the ambiguities and inconsistencies with its provisions. In fact,

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the President will use this opportunity to comment upon the fact that the range of issues brought forward for parliamentary decision have grown astronomically in complexity, often involving the interplay of court decisions, past legislative actions, contradictory agency determinations, and complicated legislative history. The President often finds that he must unwind all of these matters and arguments simply to get to the proper procedural starting point in making these I-960 rulings.

The bill before us presents exactly this sort of complicated procedural background. What should be a fairly straightforward application of the provisions of I-960 to the plain language of the bill has quickly become a review of competing Department of Revenue determinations and court filings. The President would note that the Department's own apparent inconsistencies with interpreting a statute that has remained unchanged since 1987 clouds the issue significantly. This is every bit as troubling to the President as it must be to the individual taxpayers involved, and the President would note as an aside that this is at least the third case of which he is aware this year where an agency changing its mind after issuing an earlier determination has resulted in chaos, expense, and heartache for many members of the public. It is one thing for there to be a genuine dispute as to the meaning of a statute; it is quite another for the agency charged with implementing that statute to reverse itself. In this case, for example, we are left with little or no explanation as to why the Department of Revenue changed its original interpretation from that issued in a 1993 determination. Likewise, it is unclear as to why the Department did not seek an earlier change to the law if this was truly an issue of clarification. The President-and the public-are left to wonder as to the Department's rationale and motivations. The President points this out to illustrate both the difficulties he faces in making a ruling now, given the past unclear history, as well as the disservice he believes is done to the general public by the Department's reversals. The Legislature may wish to consider actions to prevent such reversals or inconsistent interpretations by agencies that have such dramatic negative consequences on our state citizens.

That said, while the President would prefer that the Department had been more consistent over the years, he does believe the Legislature nonetheless has a valid interest in stepping forward to clarify this law. As near as the President can determine from the complex history of the matter, it appears that the weight of factors present in the bill itself and the procedural history come down in favor of clarification as opposed to imposition of a new tax. Factors such as the present disposition of the court case, the tax payment history involved, and deference to the intent language and provisions of the bill favor finding this to be a proper clarification, not an action that "raises revenue" pursuant to I-960.

For these reasons, the President believes this measure will take only a simple majority vote on final passage. In ruling upon the point of order raised by Senator Brandland as to the application of Initiative Number 960 to Senate Bill 6096, the President finds and rules as follows:

PARLIAMENTARY INQUIRY

Senator Eide: "Thank you Mr. President. I just want to confirm that we are on third reading and final passage."

REPLY BY THE PRESIDENT

President Owen: "That is correct."

The Senate resumed consideration of Substitute Senate Bill No. 6096 which had been deferred on the previous day.

Senator Tom spoke in favor of passage of the bill.

Senator Brandland spoke against passage of the bill.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6096 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Regala, Rockefeller, Shin and Tom

Voting nay: Senators Becker, Brandland, Carrell, Delvin, Hewitt, Holmquist, Honeyford, King, McCaslin, Morton, Parlette, Pflug, Ranker, Roach, Schoesler, Sheldon, Stevens, Swecker and Zarelli

Excused: Senator Benton

SENATE BILL NO. 6096, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Senate Bill No. 6096 was immediately transmitted to the House of Representatives. MOTION

At 7:18 p.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 8:50 p.m. by President Owen.

MOTION

On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House concurred in Senate amendment to the following bills and passed the bills as amended by the Senate:

ENGROSSED HOUSE BILL NO. 2357,

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to SUBSTITUTE HOUSE BILL NO. 2361 and asks Senate to recede therefrom.

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Keiser moved that the Senate refuse to concur and insist on its position regarding the House amendment(s) to

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Substitute House Bill No. 2361 and ask of the House to concur therein.

Senator Keiser spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Keiser that the Senate refuse to concur and insist on its position regarding the House amendment(s) to Substitute House Bill No. 2361 and ask of the House to concur therein.

The motion by Senator Keiser carried by voice vote.

MESSAGE FROM THE HOUSE

April 25, 2009

MR. PRESIDENT: The House receded from its amendment #621 (BARC 034) to ENGROSSED SENATE BILL NO. 5013, and passed the bill without said amendment #621 (BARC 034). and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kline moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5013.

PARLIAMENTARY INQUIRY

Senator Honeyford: "Where can we find 5013? It says green 31. Mine only goes to 29 and I looked in my other green books, I don't find it."

REPLY BY THE PRESIDENT

President Owen: "....You're welcome."

The President declared the question before the Senate to be the motion by Senator Kline that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5013.

Senator Kline spoke in favor of the motion

The motion by Senator Kline carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 5013 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5013, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5013, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 44; Nays, 4; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Voting nay: Senators Carrell, Holmquist, Honeyford and Schoesler

Excused: Senator Benton

ENGROSSED SENATE BILL NO. 5013, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 24, 2009

MR. PRESIDENT:

The House receded in its amendment to ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5809. Under suspension of rules, the bill was returned to second reading for the purpose of an amendment. The House adopted the following amendment: 5809-S2.E AMH CONW H3426.2 and passed the bill as amended by the House.

Strike everything after the enacting clause and insert the following

"NEW SECTION. Sec. 1006. (1) The legislature finds that: (a) This is a time of great economic difficulty for the residents of Washington state;

(b) Education and training provides opportunity for unemployed workers and economically disadvantaged adults to move into living wage jobs and is of critical importance to the current and future prosperity of the residents of Washington state

(c) Community and technical college workforce training programs, private career schools and colleges, and Washington state apprenticeship and training council-approved apprenticeship programs provide effective and efficient pathways for people to enter high-demand occupations while also meeting the needs of the economy;

(d) The identification of high-demand occupations needs to be based on reliable labor market research; and

(e) Workforce development councils are in a position to provide funding for economically disadvantaged adults and unemployed workers to access training.

(2) Consistent with the intent of the workforce investment act adult and dislocated worker program provisions of the American recovery and reinvestment act of 2009, the legislature intends that individuals who are eligible for services under the workforce investment act adult and dislocated worker programs, or are receiving or have exhausted entitlement to unemployment compensation benefits be provided the opportunity to enroll in training programs to prepare for a high-demand occupation.

Sec. 1007. RCW 50.24.014 and 2007 c 327 s 2 are each amended to read as follows:

(1)(a) A separate and identifiable account to provide for the financing of special programs to assist the unemployed is established in the administrative contingency fund. All money in this account shall be expended solely for the purposes of this title and for no other purposes whatsoever. Contributions to this account shall accrue and become payable by each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, at a basic rate of two one- hundredths of one percent. The amount of wages subject to tax shall be determined under RCW 50.24.010.

(b) A separate and identifiable account is established in the administrative contingency fund for financing the employment security department's administrative costs under RCW 50.22.150 and section 4, chapter 3, Laws of 2009 and the costs under RCW 50.22.150(((10))) <u>(11) and section 4(14), chapter 3,</u> <u>Laws of 2009</u>. All money in this account shall be expended solely for the purposes of this title and for no other purposes whatsoever. Contributions to this account shall accrue and become payable by each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, those employers who are required to make payments in lieu of contributions, those employers described under RCW 50.29.025(1)(f)(ii), and those qualified employers assigned rate class 20 or rate class 40, as applicable, under RCW 50.29.025, at a basic rate of one one-hundredth of one percent. The amount of wages subject to tax shall be determined under RCW 50 24 Õ10 Any amount of contributions payable under this subsection (1)(b) that exceeds the amount that would have been

collected at a rate of four one-thousandths of one percent must be deposited in the account created in (a) of this subsection.

(2)(a) Contributions under this section shall become due and be paid by each employer under rules as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the remuneration of individuals in the employ of the employer. Any deduction in violation of this section is unlawful.

(b) In the payment of any contributions under this section, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

(3) If the commissioner determines that federal funding has been increased to provide financing for the services specified in chapter 50.62 RCW, the commissioner shall direct that collection of contributions under this section be terminated on

the following January 1st. <u>NEW SECTION.</u> Sec. 1008. (1) Subject to the availability of funds through March 1, 2011, funds appropriated in the 2009-2011 operating budget for the purposes of this act shall be distributed by the employment security department to workforce development councils as a match to American recovery and reinvestment act formula funds or local workforce investment act funds that workforce development councils provide specifically for the education and training of eligible individuals in high-demand occupations for the purposes identified in section 5(2) of this act. The education and training of eligible individuals in occupations in the aerospace, energy efficiency, forest product, and health care industries shall be given priority, so long as the priority is consistent with federal law.

(a) Funds used to increase capacity as described in section 5(2)(a) of this act shall receive a seventy-five percent match.

(b) Funds used to provide student financial aid described in section 5(2)(b) of this act shall receive a twenty-five percent match

(2) Funds available for the purposes identified in section 5(2) of this act but not distributed under subsection (1) of this section shall be allocated to the state board for community and technical colleges March 1, 2011. The board shall only use the funds to increase capacity as described in section 5(2)(a) of this act. The board shall report to the employment security department on the use of these funds.

(3) The employment security department, in cooperation with the workforce training and education coordinating board and the state board for community and technical colleges, shall develop a set of guidelines on allowable uses for the incentive funds made available under this section. These guidelines shall emphasize training programs that expand the skills for Washington workers in order to obtain and retain jobs in high-demand industries such as those referenced in the American recovery and reinvestment act of 2009.

(4) This section expires July 1, 2011. <u>NEW SECTION.</u> Sec. 1009. The governor shall direct ten percent of statewide funds made available for activities under the workforce investment act in Title VIII of division A of the American recovery and reinvestment act of 2009 (P.L. 111-5) to be used for the purposes of section 3 of this act.

NEW SECTION. Sec. 1010. (1) Consistent with the intent of the workforce investment act adult and dislocated worker program provisions of the American recovery and reinvestment act of 2009, the employment security department shall encourage an increase in education and training through grants and local plan modifications with workforce development councils. The department shall encourage workforce development councils to collaborate with other local recipients of American recovery and reinvestment act funding for the purposes of increasing training and supporting individuals who receive training. The department shall also require workforce development councils to determine the number of participants who will receive education and training in high-demand industries. The department shall require the workforce development councils to report on these efforts to accomplish the tasks described in this subsection.

(2) The employment security department shall use funds as described in section 3 of this act to encourage workforce development councils to use American recovery and

reinvestment act and workforce investment act adult and dislocated worker formula resources for the following education and training purposes:

(a) To provide enrollment support or enter into contracts with the community and technical college system to increase capacity for training eligible individuals for high-demand and other occupations listed in section 3(1) of this act in programs on the eligible training provider list or new programs; and

(b) For the provision of individual training accounts that provide financial aid for eligible students training for high-demand and other occupations listed in section 3(1) of this act in programs on the eligible training provider list.

(3) American recovery and reinvestment act formula funds described in this section may not be used to replace or supplant any existing enrollments, programs, support services, or funding sources.

(4) The employment security department, in its role as fiscal agent for workforce funds available under the American recovery and reinvestment act, shall monitor and report to the governor on the use of these funds and identify specific actions that the governor or the legislature may take to ensure the state and local workforce development councils are effectively meeting the intent of this act. This shall include such reports as required by the American recovery and reinvestment act of 2009 and the governor.

(5) This section expires July 1, 2011.

<u>NEW SECTION.</u> Sec. 1011. The employment security department, in collaboration with the workforce training and education coordinating board, workforce development councils, and the state board for community and technical colleges, shall submit a report to the governor and to the appropriate committees of the legislature by December 1, 2010. The report shall describe the implementation of this act, and shall include the following:

(1) The amounts of expenditures on education and training;

(2) The number of students receiving training;

(3) The types of training received by the students;

(4) Training completion and employment rates;

(5) Comparisons of preprogram and postprogram wage levels;

(6) Student demographics and institution/program demographics;

(7) Efforts made to ensure training was provided in areas that would lead to employment;

(8) Efforts to develop capacity in occupations that are of particularly high demand; and

(9) Specific enhancements made in the workforce system to ensure additional training in high-demand occupations is accessible to low- income and dislocated workers.

<u>NEW SECTION</u>, Sec. 1012. A new section is added to chapter 50.22 RCW to read as follows:

The employment security department shall periodically bring together representatives of the workforce training and education coordinating board, workforce development councils, the state board for community and technical colleges, business, labor, and the legislature to review development and implementation of chapter . . ., Laws of 2009 (this act) and related programs under this chapter.

related programs under this chapter. <u>NEW SECTION.</u> Sec. 1013. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kohl-Welles moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5809.

Senators Kohl-Welles, Holmquist and Hargrove spoke in favor of passage of the motion.

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The President declared the question before the Senate to be the motion by Senator Kohl-Welles that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5809.

The motion by Senator Kohl-Welles carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5809 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5809, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5809, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senator Benton

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5809, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, the Senate advanced to the seventh order of business.

The Senate resumed consideration of Substitute House Bill No. 2122 which had been deferred earlier in the day.

THIRD READING

ENGROSSED HOUSE BILL NO. 2122, by Representatives Kessler, Blake, Ericks, Takko, Wallace, Morris, Liias, Hunt, Kelley, Quall, Sullivan and Van De Wege.

Reducing the business and occupation tax burden on the newspaper industry.

The bill was read on Third Reading.

Senators Prentice, Honeyford and McCaslin spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed House Bill No. 2122.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 2122 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker and Zarelli

Voting nay: Senators Oemig and Tom

Excused: Senator Benton

ENGROSSED HOUSE BILL NO. 2122, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, the Senate reverted to the sixth order of business.

MOTION

On motion of Senator Tom, Substitute Senate Bill No. 6137 was not substituted for Senate Bill No. 6137 and the substitute bill was not adopted.

SECOND READING

SENATE BILL NO. 6137, by Senator Prentice

Relating to common schools.

The measure was read the second time.

MOTION

Senator Tom moved that the following striking amendment by Senator Tom be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. 2008 c 329 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION. (1) Appropriations made in this act to the office of superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act, except as expressly provided in subsection (2) of this section.

(2) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, $((\frac{2008}{2009}), 2009)$, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund and student achievement fund appropriations for fiscal year $((\frac{2008}{2009})), 2009$ among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; <u>student achievement</u>; and learning assistance programs.

(3) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

<u>NEW SECTION.</u> Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Senator Tom spoke in favor of adoption of the striking amendment.

MOTION

Senator Pflug moved that the following amendment by Senator Pflug to the striking amendment be adopted.

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On page 4, line 18, after "<u>percentage of</u>", strike "<u>thirty-five</u>" and insert "twenty-eight"

On page 4, line 19 of the amendment, after "2011" insert ", except that for districts grandfathered above twenty-eight percent as of the effective date of this section, the authority to collect the grandfathered level is retained"

WITHDRAWAL OF AMENDMENT

On motion of Senator Pflug, the amendment by Senator Pflug on page 4, line 18 to the striking amendment to Engrossed Senate Bill No. 6137 was withdrawn.

The President declared the question before the Senate to be the adoption of the striking amendment by Senator Tom to Senate Bill No. 6137.

The motion by Senator Tom carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "schools" insert "fund transfers during fiscal year 2009; amending 2008 c 329 s 516 (uncodified); and declaring an emergency"

MOTION

On motion of Senator Tom, the rules were suspended, Engrossed Senate Bill No. 6137 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Tom spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6137.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6137 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 1; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Absent: Senator Hewitt

Excused: Senator Benton

ENGROSSED SENATE BILL NO. 6137, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The Speaker has signed the following: SUBSTITUTE HOUSE BILL NO. 1062, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1244,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1379, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1619, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1782 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2125, ENGROSSED HOUSE BILL NO. 2194, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2245. HOUSE BILL NO. 2331, SUBSTITUTE HOUSE BILL NO. 2341, SUBSTITUTE HOUSE BILL NO. 2346. SUBSTITUTE HOUSE BILL NO. 2362, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

The President signed:

SUBSTITUTE HOUSE BILL NO. 1062, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1244, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1379, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1619, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1782, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2125, ENGROSSED HOUSE BILL NO. 2194, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2245, HOUSE BILL NO. 2331 SUBSTITUTE HOUSE BILL NO. 2341, SUBSTITUTE HOUSE BILL NO. 2346, SUBSTITUTE HOUSE BILL NO. 2362,

REMARKS BY THE PRESIDENT

President Owen: "For the new members, the President observes throughout the session the actions of members speeches, etc and makes some minor observations on Sine Die.

Like, for instance the least worn seat in the chamber would be Senator Brown's. The most worn seat in the chamber would be Senator Morton's.

But there's others. This year the President has taken a little different angle on some. This year the President is going to give a few, 'I need a hug awards.'

The President's first 'I need a hug award' is presented to this Senator for his apparent longing to return to the House of Representatives and incredibly strong and inseparable attachment to the Speaker evidenced to his continuing references to the President as 'Mr. Speaker', that, of course, would be Senator Jarrett.

However, there are runners up. Senators Parlette and Tom. However, the President is not sure what to make of the references to him by the same two as 'Mr. Chairman' and 'Mr. Amendment.

The President's next 'I need a hug award' is presented to this Senator because the President refuses to allow her pop wheelies on the senate floor with her new scooter, Senator Fairley. And, by the way, I noticed you're getting better at that so if you could keep it under thirty-five miles an hour I would appreciate it.

Unfortunately, this Senator isn't here but this 'I need a hug award' is presented to the Senator because nobody cares when he says, 'I'm going to vote against this bill and let me tell you why,' Senator Benton.

The next 'I need a hug award' is presented to this Senator because she moved vigorously throughout two aisles of the Senate obtaining signatures, making impassion pleas and heartfelt explanations of her amendments to her colleagues hoping to get signatures and votes resorting to what at times appears to be even praying on her knees, working harder than anybody to, in the end, secure a rock solid four votes on an amendment. Occasionally eighteen but never ever, ever twentyfive, Senator Holmquist. I know. 'It's the principal."

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This President's 'I need a hug award' is presented to this person because he wants to grow a beard and look cool like the President and Senator Kline but can't, Senator Hobbs.

This 'I need a hug award' is presented to this Senator because like Senator Marr, when he stands up to speak the President doesn't often notice him because the President can barely see him, particularly if he's holding the microphone in front of him, Senator Kilmer. I think he's gained five pounds though. Five pounds, all right.

This the President's 'I need a hug award' goes to the entire Rostrum staff for having no option but listen to all and I mean all of your speeches. The President would note that there is a special award for some incredible people for their stamina and incomparable physical abilities the President is calling, 'the Iron Bladder award.'

There are a few other special awards.

The 'rusty microphone award' for using the unexplainable phrase, 'At no tax to cost payers' by Senator Parlette. If you could explain that one to us we'd be greatly appreciative, 'At no tax to cost payers.

Then I want to give the 'Praise the Lord award' for providing the Senate, with enthusiasm ,the most pastors to give the opening prayer, Senator Becker. Thank you very much.

Now, this one, unfortunately the person isn't here, but it's pertinent that he's not here. The award for the most incredulous action following a speech. It is 'You have got to be kidding me award' for chastising the senators for not being in their seats and listening to him speak to wit following said speech, as soon as the next senator began to speak, immediately he left his seat for the cafeteria, Senator Benton.

And finally, every year I give this one. The of course the annual 'Senator No award,' I don't know if you know what no means but I know of no other Senator who knows how to vote no for usually no explainable reason other than to know that no is the most vote most known to her so I know that you know that the Senator 'No award' once again goes to the well-known Senator Holmquist.

Runner up, Senator Honeyford only because the President believes that he made a mistake once and voted yes. That's all.

I should note that I had others but the Attorneys advised that I couldn't use them."

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House has adopted the report of Conference Committee on SECOND SUBSTITUTE SENATE BILL NO. 5433, and has passed the bill as recommended by the Conference Committee. and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

REPORT OF THE CONFERENCE COMMITTEE Second Substitute Senate Bill No. 5433 April 26, 2009

MR. PRESIDENT:

MR. SPEAKER:

We of your conference committee, to whom was referred Second Substitute Senate Bill No. 5433, have had the same under consideration and recommend that all previous amendments not be adopted and that the following striking amendment be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 82.14.450 and 2007 c 380 s 1 are each amended to read as follows:

(1) A county legislative authority may submit an authorizing proposition to the county voters at a primary or general election and, if the proposition is approved by a majority of persons voting, impose a sales and use tax in accordance with the terms of this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used. Funds raised under this tax shall not supplant existing funds used for these purposes, except as follows: Up to one hundred percent may be used to supplant existing funding in calendar year 2010; up to eighty percent may be used to supplant existing funding in calendar year 2011; up to sixty percent may be used to supplant existing funding in calendar year 2012; up to forty percent may be used to supplant existing funding in calendar year 2013; and up to twenty percent may be used to supplant existing funding in calendar year 2014. For purposes of this subsection, existing funds means the actual operating expenditures for the calendar year in which the ballot measure is approved by voters. Actual operating expenditures excludes lost federal funds, lost or expired state grants or loans, extraordinary events not likely to reoccur, changes in contract provisions beyond the control of the county or city receiving the services, and major nonrecurring capital expenditures. The rate of tax under this section ((shall)) may not exceed three-tenths of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(2) The tax authorized in this section is in addition to any other taxes authorized by law and ((shall)) must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county.

(3) The retail sale or use of motor vehicles, and the lease of motor vehicles for up to the first thirty-six months of the lease, are exempt from tax imposed under this section.

(4) One-third of all money received under this section ((shall)) <u>must</u> be used solely for criminal justice purposes, <u>fire</u> <u>protection purposes</u>, <u>or both</u>. For the purposes of this subsection, "criminal justice purposes" ((means additional police protection, mitigation of congested court systems, or relief of overcrowded jails or other local correctional facilities)) <u>has the same meaning as provided in RCW 82.14.340</u>.

(5) Money received under this section $((\frac{\text{shall}}{\text{shall}}))$ must be shared between the county and the cities as follows: Sixty percent $((\frac{\text{shall}}{\text{shall}}))$ must be retained by the county and forty percent $((\frac{\text{shall}}{\text{shall}}))$ must be distributed on a per capita basis to cities in the county.

Sec. 2. RCW 82.14.460 and 2008 c 157 s 2 are each amended to read as follows:

(1) A county legislative authority may authorize, fix, and impose a sales and use tax in accordance with the terms of this chapter.

(2) The tax authorized in this section shall be in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county. The rate of tax shall equal one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(3) Moneys collected under this section shall be used solely for the purpose of providing for the operation or delivery of ((new or expanded)) chemical dependency or mental health treatment programs and services and for the operation or delivery of ((new or expanded)) therapeutic court programs and services. For the purposes of this section, "programs and services" includes, but is not limited to, treatment services, case management, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service.

(4) <u>All moneys collected under this section must be used</u> solely for the purpose of providing new or expanded programs and services as provided in this section, except a portion of moneys collected under this section ((shall not)) may be used to supplant existing funding for these purposes((, provided that)) in any county as follows: Up to fifty percent may be used to supplant existing funding in calendar year 2010; up to forty percent may be used to supplant existing funding in calendar year 2011; up to thirty percent may be used to supplant existing funding in calendar year 2013; and up to ten percent may be used to supplant existing funding in calendar year 2013; and up to ten percent may be used to supplant existing funding in calendar year 2013; and up to ten percent may be used to supplant existing funding in calendar year 2013; and up to ten percent may be used to supplant existing funding in calendar year 2014.

(5) Nothing in this section ((shall)) may be interpreted to prohibit the use of moneys collected under this section for the replacement of lapsed federal funding previously provided for the operation or delivery of services and programs as provided in this section.

Sec. 3. RCW 84.55.050 and 2008 c 319 s 1 are each amended to read as follows:

(1) Subject to any otherwise applicable statutory dollar rate limitations, regular property taxes may be levied by or for a taxing district in an amount exceeding the limitations provided for in this chapter if such levy is authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters. Any election held pursuant to this section shall be held not more than twelve months prior to the date on which the proposed levy is to be made, except as provided in subsection (2) of this section. The ballot of the proposition shall state the dollar rate proposed and shall clearly state the conditions, if any, which are applicable under subsection (4) of this section.

(2)(a) Subject to statutory dollar limitations, a proposition placed before the voters under this section may authorize annual increases in levies for multiple consecutive years, up to six consecutive years, during which period each year's authorized maximum legal levy shall be used as the base upon which an increased levy limit for the succeeding year is computed, but the ballot proposition must state the dollar rate proposed only for the first year of the consecutive years and must state the limit factor, or a specified index to be used for determining a limit factor, such as the consumer price index, which need not be the same for all years, by which the regular tax levy for the district may be increased in each of the subsequent consecutive years. Elections for this purpose must be held at a primary or general election. The title of each ballot measure must state the limited purposes for which the proposed annual increases during the specified period of up to six consecutive years shall be used((; and funds raised under the levy shall not supplant existing funds used for these purposes)).

(b)(i) Except as otherwise provided in this subsection (2)(b). funds raised by a levy under this subsection may not supplant existing funds used for the limited purpose specified in the ballot title. For purposes of this subsection, existing funds means the actual operating expenditures for the calendar year in which the ballot measure is approved by voters. Actual operating expenditures excludes lost federal funds, lost or expired state grants or loans, extraordinary events not likely to reoccur, changes in contract provisions beyond the control of the taxing district receiving the services, and major nonrecurring capital expenditures.

(ii) The supplanting limitations in (b)(i) of this subsection do not apply to levies approved by the voters in calendar years 2009, 2010, and 2011, in any county with a population of one million five hundred thousand or more. This subsection (2)(b)(ii) only applies to levies approved by the voters after the effective date of this act.

(iii) The supplanting limitations in (b)(i) of this subsection do not apply to levies approved by the voters in calendar year

2009 and thereafter in any county with a population less than one million five hundred thousand. This subsection (2)(b)(iii) only applies to levies approved by the voters after the effective date of this act.

(3) After a levy authorized pursuant to this section is made, the dollar amount of such levy may not be used for the purpose of computing the limitations for subsequent levies provided for in this chapter, unless the ballot proposition expressly states that the levy made under this section will be used for this purpose.

(4) If expressly stated, a proposition placed before the voters under subsection (1) or (2) of this section may:

(a) Use the dollar amount of a levy under subsection (1) of this section, or the dollar amount of the final levy under subsection (2) of this section, for the purpose of computing the limitations for subsequent levies provided for in this chapter;

(b) Limit the period for which the increased levy is to be made under (a) of this subsection;

(c) Limit the purpose for which the increased levy is to be made under (a) of this subsection, but if the limited purpose includes making redemption payments on bonds, the period for which the increased levies are made shall not exceed nine years;

(d) Set the levy or levies at a rate less than the maximum rate allowed for the district; or

(e) Include any combination of the conditions in this subsection.

(5) Except as otherwise expressly stated in an approved ballot measure under this section, subsequent levies shall be computed as if:

(a) The proposition under this section had not been approved; and

(b) The taxing district had made levies at the maximum rates which would otherwise have been allowed under this chapter during the years levies were made under the proposition.

Sec. 4. RCW 36.54.130 and 2007 c 223 s 6 are each amended to read as follows:

(1) To carry out the purposes for which ferry districts are created, the governing body of a ferry district may levy each year an ad valorem tax on all taxable property located in the district not to exceed seventy-five cents per thousand dollars of assessed value, except a ferry district in a county with a population of one million five hundred thousand or more may not levy at a rate that exceeds seven and one-half cents per thousand dollars of assessed value. The levy must be sufficient for the provision of ferry services as shown to be required by the budget prepared by the governing body of the ferry district.

(2) A tax imposed under this section may be used only for:

(a) Providing ferry services, including the purchase, lease, or rental of ferry vessels and dock facilities;

(b) The operation, maintenance, and improvement of ferry vessels and dock facilities;

(c) Providing shuttle services between the ferry terminal and passenger parking facilities, and other landside improvements directly related to the provision of passenger-only ferry service; and

(d) Related personnel costs.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 84.52 RCW to read as follows:

(1) A county with a population of one million five hundred thousand or more may impose an additional regular property tax levy in an amount not to exceed seven and one-half cents per thousand dollars of the assessed value of property in the county in accordance with the terms of this section.

(2) Any tax imposed under this section shall be used as follows:

(a) The first one cent for expanding transit capacity along state route number 520 by adding core and other supporting bus routes;

(b) The remainder for transit-related expenditures.

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(3) The limitations in RCW 84.52.043 do not apply to the tax authorized in this section.

(4) The limitation in RCW 84.55.010 does not apply to the first tax levy imposed under this section.

Sec. 6. RCW 84.52.043 and 2005 c 122 s 3 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named shall be as follows:

(1) Levies of the senior taxing districts shall be as follows: (a) The levy by the state shall not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county shall not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district shall not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town shall not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection shall not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; ((and)) (i) the portions of levies by fire protection districts that are protected under RCW 84.52.125; and (j) levies by counties for transitrelated purposes under section 5 of this act.

Sec. 7. RCW 84.52.010 and 2007 c 54 s 26 are each amended to read as follows:

Except as is permitted under RCW 84.55.050, all taxes shall be levied or voted in specific amounts.

The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided

in either of these sections, the assessor shall recompute and establish a consolidated levy in the following manner:

(1) The full certified rates of tax levy for state, county, county road district, and city or town purposes shall be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy shall take precedence over all other levies and shall not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, ((ard)) 84.52.135, and section 5 of this act, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies shall be reduced as follows:

(a) The levy imposed by a county under section 5 of this act shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated;

(b) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated;

 $(((\frac{b})))$ (c) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(((c))) (d) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(((d))) (e) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated;

(((c))) (<u>f</u>) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, shall be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated; and

(((f))) (g) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

(2) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property shall be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(a) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145,

35.95A.100, and 67.38.130 shall be reduced on a pro rata basis or eliminated;

(b) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts shall be reduced on a pro rata basis or eliminated;

(c) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, shall be reduced on a pro rata basis or eliminated;

(d) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, shall be reduced on a pro rata basis or eliminated;

(e) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) shall be reduced on a pro rata basis or eliminated; and

(f) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, shall be reduced on a pro rata basis or eliminated.

<u>NEW SECTION</u>. Sec. 8. A new section is added to chapter 82.80 RCW to read as follows:

(1) Subject to voter approval, a public transportation entity may fix and impose an annual congestion reduction tax, not to exceed twenty dollars per vehicle registered within the boundaries of the public transportation entity, for each vehicle subject to license tab fees under RCW 46.16.0621 and for each vehicle subject to gross weight fees under RCW 46.16.070 with an unladen weight of six thousand pounds or less. For purposes of this section, a "public transportation entity" includes public transportation benefit areas under chapter 36.57A RCW, metropolitan municipal corporations providing public transportation services under chapter 35.58 RCW, cityowned transit systems under chapter 35.58 RCW, county public transportation authorities under chapter 36.57 RCW, and unincorporated transportation benefit areas under chapter 36.57 RCW.

(2) The department of licensing must administer and collect the tax for the relevant public transportation entity identified in subsection (1) of this section. The department of licensing must deduct a percentage amount, as provided by contract, not to exceed one percent of the taxes collected, for administration and collection expenses incurred by it. The department of licensing must remit remaining proceeds to the custody of the state treasurer. The state treasurer must distribute the proceeds to the public transportation entity on a monthly basis.

(3) No tax under this section may be collected until six months after it has been approved by a majority of the voters within the public transportation entity's boundaries.

(4) The congestion reduction tax under this section applies only when renewing a vehicle registration, and is effective upon the registration renewal date as provided by the department of licensing.

(5) The following vehicles are exempt from the tax under this section:

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(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181;

(b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;

(c) Vehicles registered under chapter 46.87 RCW and the international registration plan; and

(d) Snowmobiles as defined in RCW 46.10.010.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 36.57A RCW to read as follows:

In addition to other general and specific powers granted to a public transportation benefit area authority, the legislative authority of a public transportation benefit area may submit an authorizing proposition to the voters and if approved may impose an annual congestion reduction tax in accordance with section 8 of this act. The proposition must include a specific description of the public transportation services or improvements that will be funded by the congestion reduction tax. A public transportation benefit area authority must provide a credit against the tax imposed under this section for any tax imposed by a city or metropolitan municipal corporation under section 10 of this act.

<u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 35.58 RCW to read as follows:

In addition to other general and specific powers granted to metropolitan municipal corporations and city-owned transit systems, the legislative authorities of metropolitan municipal corporations and city-owned transit systems may submit an authorizing proposition to the voters within their respective boundaries and if approved may impose an annual congestion reduction tax in accordance with section 8 of this act. The proposition must include a specific description of the public transportation services or improvements that will be funded by the congestion reduction tax.

<u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 36.57 RCW to read as follows:

In addition to other general and specific powers granted to county public transportation authorities and unincorporated transportation benefit areas, the legislative authorities of a county public transportation authority and an unincorporated transportation benefit area may submit an authorizing proposition to the voters within their respective boundaries and if approved may impose an annual congestion reduction tax in accordance with section 8 of this act. The proposition must include a specific description of the public transportation services or improvements that will be funded by the congestion reduction tax.

<u>NEW SECTION.</u> Sec. 12. Sections 1 and 2 of this act expire January 1, 2015."

On page 1, line 1 of the title, after "taxes;" strike the remainder of the title and insert "amending RCW 82.14.450, 82.14.460, 84.55.050, 36.54.130, 84.52.043, and 84.52.010; adding a new section to chapter 84.52 RCW; adding a new section to chapter 82.80 RCW; adding a new section to chapter 35.58 RCW; adding a new section to chapter 36.57 RCW; and providing an expiration date."

And the bill do pass as recommended by the conference committee.

Signed by Senators Regala and Tom; Representatives Hunter and Nelson.

MOTION

Senator Regala moved that the Report of the Conference Committee on Second Substitute Senate Bill No. 5433 be adopted.

Senators Regala and Hargrove spoke in favor of the motion. Senators Roach, Marr, Carrell and Pflug spoke against passage of the motion. The President declared the question before the Senate to be the motion by Senator Regala that the Report of the Conference Committee on Second Substitute Senate Bill No. 5433 be adopted.

The motion by Senator Regala carried and the Report of the Conference Committee was adopted by voice vote.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5433, as recommended by the Conference Committee.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5433, as recommended by the Conference Committee, and the bill passed the Senate by the following vote: Yeas, 25; Nays, 24; Absent, 0; Excused, 1.

Voting yea: Senators Berkey, Brown, Fairley, Fraser, Hargrove, Hatfield, Jacobsen, Jarrett, Kastama, Keiser, Kline, Kohl-Welles, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, Shin, Swecker, Tom and Lieutenant Governor

Voting nay: Senators Becker, Brandland, Carrell, Delvin, Eide, Franklin, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Kauffman, Kilmer, King, Marr, McCaslin, Morton, Parlette, Pflug, Roach, Schoesler, Sheldon, Stevens and Zarelli

Excused: Senator Benton

The President voting yea

SECOND SUBSTITUTE SENATE BILL NO. 5433, as recommended by the Conference Committee, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

POINT OF ORDER

Senator Carrell: "According to Senate Rules I believe that Senate Rules says the President cannot break a tie in a final vote. Is that correct?"

REPLY BY THE PRESIDENT

President Owen: "If you think that the Senate can pass a rule that supersedes the Constitution then that would be correct but the Constitution is crystal clear that the President shall break all tie votes. The senate has chosen to enact a rule that is in conflict with the constitution. Therefore, the President believes that he has a constitutional responsibility to break all tie votes, period, and that's what the President did."

MOTION

On motion of Senator Eide, Second Substitute Senate Bill No. 5433 was immediately transmitted to the House of Representatives.

PERSONAL PRIVILEGE

Senator Pflug: "Thank you Mr. President. We have corrected the math over here and so it was not a two thousand dollar tax increase. It was a twenty-one dollar tax increase. So just in case anyone is having a heart attack, it was twenty-one and seventy-five cents on a three hundred thousand dollar house."

PERSONAL PRIVILEGE

Senator Roach: "I hope I've asked the right thing here. I wanted to explain the math problem was really I think that was brought up here on the floor had to do with the fact three cars and twenty dollars. Three times twenty is sixty dollars and it got,

that was the math problem that was questioned so and my math was correct."

PERSONAL PRIVILEGE

Senator Carrell: "Well as a former math teacher and this is about fifth grade multiplication, three times seven fifty turns out to be twenty-two dollars and fifty cents."

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House has passed ENGROSSED SENATE BILL NO. 5995 with the following amendment: 5995.E AMH HUNS REIL 050

Strike everything after the enacting clause and insert the following:

'NEW SECTION. Sec. 1. Intent. One of the key roles of advisory boards, committees, and commissions is to provide input, advice and recommendations from stakeholders, other interested parties, and the public to state agencies. Some advisory boards, committees, and commissions may be abolished without detriment to the mission of the agency each supports. Most of the advisory functions of some boards, committees, and commissions can be performed without the administrative costs of maintaining formal organizations. In the interest of building a leaner, more efficient, and more responsible government, this vital communications conduit must be maintained for the benefit of the state and its citizens, through the use of modern communication technology. It is the intent of the legislature this interim to identify criteria to evaluate those advisory boards, committees, and commissions that may be eliminated or consolidated, and for agencies to identify new, less costly, and more effective opportunities to ensure a broad range of citizen participation is provided and that all reasonable efforts are made to ensure that channels are maintained for vital input from the citizens of Washington.

Acupuncture Ad Hoc Committee

Sec. 2. RCW 18.06.080 and 1995 c 323 s 7 are each amended to read as follows:

(1) The secretary is hereby authorized and empowered to execute the provisions of this chapter and shall offer examinations in acupuncture at least twice a year at such times and places as the secretary may select. The examination shall be a written examination and may include a practical examination.

(2) The secretary shall develop or approve a licensure examination in the subjects that the secretary determines are within the scope of and commensurate with the work performed by licensed acupuncturists and shall include but not necessarily be limited to anatomy, physiology, microbiology, biochemistry, pathology, hygiene, and acupuncture. All application papers shall be deposited with the secretary and there retained for at least one year, when they may be destroyed.

(3) If the examination is successfully passed, the secretary shall confer on such candidate the title of Licensed Acupuncturist.

(4) ((The secretary may appoint members of the profession to serve in an ad hoc advisory capacity to the secretary in earrying out this chapter. The members will serve for designated times and provide advice on matters specifically identified and requested by the secretary. The members shall be compensated in accordance with RCW 43.03.220 and reimbursed for travel expenses under RCW 43.03.040 and 43.03.060.

(5))) The secretary, ad hoc committee members, or

individuals acting in their behalf are immune from suit in a civil action based on any certification or disciplinary proceedings or other official acts performed in the course of their duties.

Character-Building Residential Services in Prisons, Oversight Committee

<u>NEW SECTION.</u> Sec. 3. RCW 72.09.800 (Comprehensive plan for character-building residential services in prisons--Establishment of oversight committee) and 2008 c 104 s 2 are each repealed.

Displaced Homemaker Program Statewide Advisory Committee

<u>NEW SECTION.</u> Sec. 4. RCW 28B.04.085 (Displaced homemaker program advisory committee) and 2004 c 275 s 32 & 1987 c 230 s 2 are each repealed.

Adult Family Home Advisory Committee

<u>NEW SECTION.</u> Sec. 5. RCW 70.128.225 (Advisory committee) and 2007 c 40 s 1 & 2002 c 223 s 4 are each repealed.

Sec. 6 RCW 70.128.163 and 2001 c 193 s 6 are each amended to read as follows:

(1) When the department has summarily suspended a license, the licensee may, subject to the department's approval, elect to participate in a temporary management program. All provisions of this section shall apply.

The purposes of a temporary management program are as follows:

(a) To mitigate dislocation and transfer trauma of residents while the department and licensee may pursue dispute resolution or appeal of a summary suspension of license;

(b) To facilitate the continuity of safe and appropriate resident care and services;

(c) To preserve a residential option that meets a specialized service need and/or is in a geographical area that has a lack of available providers; and

(d) To provide residents with the opportunity for orderly discharge.

(2) Licensee participation in the temporary management program is voluntary. The department shall have the discretion to approve any temporary manager and the temporary management arrangements. The temporary management shall assume the total responsibility for the daily operations of the home.

(3) The temporary management shall contract with the licensee as an independent contractor and is responsible for ensuring that all minimum licensing requirements are met. The temporary management shall protect the health, safety, and wellbeing of the residents for the duration of the temporary management and shall perform all acts reasonably necessary to ensure that residents' needs are met. The licensee is responsible for all costs related to administering the temporary management. The temporary management and contracting with the temporary management. The temporary management agreement shall at a minimum address the following:

(a) Provision of liability insurance to protect residents and their property;

(b) Preservation of resident trust funds;

(c) The timely payment of past due or current accounts, operating expenses, including but not limited to staff compensation, and all debt that comes due during the period of the temporary management;

(d) The responsibilities for addressing all other financial obligations that would interfere with the ability of the temporary manager to provide adequate care and services to residents; and

(e) The authority of the temporary manager to manage the home, including the hiring, managing, and firing of employees for good cause, and to provide adequate care and services to residents.

(4) The licensee and department shall provide written notification immediately to all residents, legal representatives, interested family members, and the state long-term care ombudsman program, of the temporary management and the reasons for it. This notification shall include notice that residents may move from the home without notifying the licensee in advance, and without incurring any charges, fees, or costs otherwise available for insufficient advance notice, during the temporary management period.

(5) The temporary management period under this section concludes twenty-eight days after issuance of the formal notification of enforcement action or conclusion of administrative proceedings, whichever date is later. Nothing in this section precludes the department from revoking its approval of the temporary management and/or exercising its licensing enforcement authority under this chapter. The department's decision whether to approve or to revoke a temporary management arrangement is not subject to the administrative procedure act, chapter 34.05 RCW.

(6) The department is authorized to adopt rules implementing this section. In implementing this section, the department shall consult with consumers, advocates, ((the adult family home advisory committee established under chapter 18.48 RCW₇)) and organizations representing adult family homes. The department may recruit and approve qualified, licensed providers interested in serving as temporary managers.

Boarding Home Advisory Board

<u>NEW SECTION.</u> Sec. 7 RCW 18.20.260 (Advisory board) and 2000 c 47 s 8 are each repealed.

Citizens' Work Group on Health Care Reform

<u>NEW SECTION.</u> Sec. 8 The following acts or parts of acts are each repealed:

2008 c 311 s 1 (uncodified);

2008 c 311 s 2 (uncodified);

2008 c 311 s 3 (uncodified); and

2008 c 311 s 4 (uncodified).

Model Toxic Control Act Science Advisory Board

<u>NEW SECTION.</u> Sec. 9. 1997 c 406 s 1 (uncodified) is repealed.

Sec. 10. RCW 70.105D.030 and 2007 c 446 s 1, 2007 c 225 s 1, and 2007 c 104 s 19 are each reenacted and amended to read as follows:

(1) The department may exercise the following powers in addition to any other powers granted by law:

(a) Investigate, provide for investigating, or require potentially liable persons to investigate any releases or threatened releases of hazardous substances, including but not limited to inspecting, sampling, or testing to determine the nature or extent of any release or threatened release. If there is a reasonable basis to believe that a release or threatened release of a hazardous substance may exist, the department's authorized employees, agents, or contractors may enter upon any property and conduct investigations. The department shall give reasonable notice before entering property unless an emergency prevents such notice. The department may by subpoena require the attendance or testimony of witnesses and the production of documents or other information that the department deems necessary;

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(b) Conduct, provide for conducting, or require potentially liable persons to conduct remedial actions (including investigations under (a) of this subsection) to remedy releases or threatened releases of hazardous substances. In carrying out such powers, the department's authorized employees, agents, or contractors may enter upon property. The department shall give reasonable notice before entering property unless an emergency prevents such notice. In conducting, providing for, or requiring remedial action, the department shall give preference to permanent solutions to the maximum extent practicable and shall provide for or require adequate monitoring to ensure the effectiveness of the remedial action;

(c) Indemnify contractors retained by the department for carrying out investigations and remedial actions, but not for any contractor's reckless or willful misconduct;

(d) Carry out all state programs authorized under the federal cleanup law and the federal resource, conservation, and recovery act, 42 U.S.C. Sec. 6901 et seq., as amended;

(e) Classify substances as hazardous substances for purposes of RCW 70.105D.020 and classify substances and products as hazardous substances for purposes of RCW 82.21.020(1);

(f) Issue orders or enter into consent decrees or agreed orders that include, or issue written opinions under (i) of this subsection that may be conditioned upon, environmental covenants where necessary to protect human health and the environment from a release or threatened release of a hazardous substance from a facility. Prior to establishing an environmental covenant under this subsection, the department shall consult with and seek comment from a city or county department with land use planning authority for real property subject to the environmental covenant;

(g) Enforce the application of permanent and effective institutional controls that are necessary for a remedial action to be protective of human health and the environment and the notification requirements established in RCW 70.105D.110, and impose penalties for violations of that section consistent with RCW 70.105D.050;

(h) Require holders to conduct remedial actions necessary to abate an imminent or substantial endangerment pursuant to RCW 70.105D.020(17)(b)(ii)(C);

(i) Provide informal advice and assistance to persons regarding the administrative and technical requirements of this chapter. This may include site-specific advice to persons who are conducting or otherwise interested in independent remedial actions. Any such advice or assistance shall be advisory only, and shall not be binding on the department. As a part of providing this advice and assistance for independent remedial actions, the department may prepare written opinions regarding whether the independent remedial actions or proposals for those actions meet the substantive requirements of this chapter or whether the department believes further remedial action is necessary at the facility. Nothing in this chapter may be construed to preclude the department from issuing a written opinion on whether further remedial action is necessary at any portion of the real property located within a facility, even if further remedial action is still necessary elsewhere at the same facility. Such a written opinion on a portion of a facility must also provide an opinion on the status of the facility as a whole. The department may collect, from persons requesting advice and assistance, the costs incurred by the department in providing such advice and assistance; however, the department shall, where appropriate, waive collection of costs in order to provide an appropriate level of technical assistance in support of public The state, the department, and officers and participation. employees of the state are immune from all liability, and no cause of action of any nature may arise from any act or omission in providing, or failing to provide, informal advice and assistance; and

(j) Take any other actions necessary to carry out the provisions of this chapter, including the power to adopt rules under chapter 34.05 RCW.

(2) The department shall immediately implement all provisions of this chapter to the maximum extent practicable, including investigative and remedial actions where appropriate. The department shall adopt, and thereafter enforce, rules under chapter 34.05 RCW to:

(a) Provide for public participation, including at least (i) public notice of the development of investigative plans or remedial plans for releases or threatened releases and (ii) concurrent public notice of all compliance orders, agreed orders, enforcement orders, or notices of violation;

(b) Establish a hazard ranking system for hazardous waste sites;

(c) Provide for requiring the reporting by an owner or operator of releases of hazardous substances to the environment that may be a threat to human health or the environment within ninety days of discovery, including such exemptions from reporting as the department deems appropriate, however this requirement shall not modify any existing requirements provided for under other laws;

(d) Establish reasonable deadlines not to exceed ninety days for initiating an investigation of a hazardous waste site after the department receives notice or otherwise receives information that the site may pose a threat to human health or the environment and other reasonable deadlines for remedying releases or threatened releases at the site;

(e) Publish and periodically update minimum cleanup standards for remedial actions at least as stringent as the cleanup standards under section 121 of the federal cleanup law, 42 U.S.C. Sec. 9621, and at least as stringent as all applicable state and federal laws, including health-based standards under state and federal law; and

(f) Apply industrial clean-up standards at industrial properties. Rules adopted under this subsection shall ensure that industrial properties cleaned up to industrial standards cannot be converted to nonindustrial uses without approval from the department. The department may require that a property cleaned up to industrial standards is cleaned up to a more stringent applicable standard as a condition of conversion to a nonindustrial use. Industrial clean-up standards may not be applied to industrial properties where hazardous substances remaining at the property after remedial action pose a threat to human health or the environment in adjacent nonindustrial areas.

(3) To achieve and protect the state's long-term ecological health, the department shall prioritize sufficient funding to clean up hazardous waste sites and prevent the creation of future hazards due to improper disposal of toxic wastes, and create financing tools to clean up large-scale hazardous waste sites requiring multiyear commitments. To effectively monitor toxic accounts expenditures, the department shall develop a comprehensive ten-year financing report that identifies longterm remedial action project costs, tracks expenses, and projects future needs.

(4) Before December 20th of each even-numbered year, the department shall:

(a) Develop a comprehensive ten-year financing report in coordination with all local governments with clean-up responsibilities that identifies the projected biennial hazardous waste site remedial action needs that are eligible for funding from the local toxics control account;

(b) Work with local governments to develop working capital reserves to be incorporated in the ten-year financing report;

(c) Identify the projected remedial action needs for orphaned, abandoned, and other clean-up sites that are eligible for funding from the state toxics control account;

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(d) Project the remedial action need, cost, revenue, and any recommended working capital reserve estimate to the next biennium's long-term remedial action needs from both the local toxics control account and the state toxics control account, and submit this information to the appropriate standing fiscal and environmental committees of the senate and house of representatives. This submittal must also include a ranked list of such remedial action projects for both accounts; and

(e) Provide the legislature and the public each year with an accounting of the department's activities supported by appropriations from the state and local toxics control accounts, including a list of known hazardous waste sites and their hazard rankings, actions taken and planned at each site, how the department is meeting its waste management priorities under RCW 70.105.150, and all funds expended under this chapter.

(5) ((The department shall establish a scientific advisory board to render advice to the department with respect to the hazard ranking system, cleanup standards, remedial actions, deadlines for remedial actions, monitoring, the classification of substances as hazardous substances for purposes of RCW 70.105D.020 and the classification of substances or products as hazardous substances for purposes of RCW 82.21.020(1). The board shall consist of five independent members to serve staggered three-year terms. No members may be employees of the department. Members shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(6))) The department shall establish a program to identify potential hazardous waste sites and to encourage persons to provide information about hazardous waste sites.

((7)) (6) For all facilities where an environmental covenant has been required under subsection (1)(f) of this section, including all facilities where the department has required an environmental covenant under an order, agreed order, or consent decree, or as a condition of a written opinion issued under the authority of subsection (1)(i) of this section, the department shall periodically review the environmental covenant for effectiveness. Except as otherwise provided in (c) of this subsection, the department shall conduct a review at least once every five years after an environmental covenant is recorded.

(a) The review shall consist of, at a minimum:

(i) A review of the title of the real property subject to the environmental covenant to determine whether the environmental covenant was properly recorded and, if applicable, amended or terminated;

(ii) A physical inspection of the real property subject to the environmental covenant to determine compliance with the environmental covenant, including whether any development or redevelopment of the real property has violated the terms of the environmental covenant; and

(iii) A review of the effectiveness of the environmental covenant in limiting or prohibiting activities that may interfere with the integrity of the remedial action or that may result in exposure to or migration of hazardous substances. This shall include a review of available monitoring data.

(b) If an environmental covenant has been amended or terminated without proper authority, or if the terms of an environmental covenant have been violated, or if the environmental covenant is no longer effective in limiting or prohibiting activities that may interfere with the integrity of the remedial action or that may result in exposure to or migration of hazardous substances, then the department shall take any and all appropriate actions necessary to ensure compliance with the environmental covenant and the policies and requirements of this chapter.

(c) For facilities where an environmental covenant required by the department under subsection (1)(f) of this section was required before July 1, 2007, the department shall:

(i) Enter all required information about the environmental covenant into the registry established under RCW 64.70.120 by June 30, 2008;

(ii) For those facilities where more than five years has elapsed since the environmental covenant was required and the department has yet to conduct a review, conduct an initial review according to the following schedule:

(A) By December 30, 2008, fifty facilities;

(B) By June 30, 2009, fifty additional facilities; and

(C) By June 30, 2010, the remainder of the facilities;

(iii) Once this initial review has been completed, conduct subsequent reviews at least once every five years.

Oil Heat Advisory Committee

Sec. 11. RCW 70.149.040 and 2007 c 240 s 1 are each amended to read as follows: The director shall: (1) Design a program, consistent with RCW 70.149.120, for providing pollution liability insurance for heating oil tanks that provides up to sixty thousand dollars per occurrence coverage and aggregate limits, and protects the state of Washington from unwanted or unanticipated liability for accidental release claims;

(2) Administer, implement, and enforce the provisions of this chapter. To assist in administration of the program, the director is authorized to appoint up to two employees who are exempt from the civil service law, chapter 41.06 RCW, and who shall serve at the pleasure of the director;

(3) Administer the heating oil pollution liability trust account, as established under RCW 70.149.070;

(4) Employ and discharge, at his or her discretion, agents, attorneys, consultants, companies, organizations, and employees as deemed necessary, and to prescribe their duties and powers, and fix their compensation;

(5) Adopt rules under chapter 34.05 RCW as necessary to carry out the provisions of this chapter;

(6) Design and from time to time revise a reinsurance contract providing coverage to an insurer or insurers meeting the requirements of this chapter. The director is authorized to provide reinsurance through the pollution liability insurance program trust account;

(7) Solicit bids from insurers and select an insurer to provide pollution liability insurance for third-party bodily injury and property damage, and corrective action to owners and operators of heating oil tanks;

(8) Register, and design a means of accounting for, operating heating oil tanks;

(9) Implement a program to provide advice and technical assistance to owners and operators of active and abandoned heating oil tanks if contamination from an active or abandoned heating oil tank is suspected. Advice and assistance regarding administrative and technical requirements may include observation of testing or site assessment and review of the results of reports. If the director finds that contamination is not present or that the contamination is apparently minor and not a threat to human health or the environment, the director may provide written opinions and conclusions on the results of the investigation to owners and operators of active and abandoned heating oil tanks. The agency is authorized to collect, from persons requesting advice and assistance, the costs incurred by the agency in providing such advice and assistance. The costs may include travel costs and expenses associated with review of reports and preparation of written opinions and conclusions. Funds from cost reimbursement must be deposited in the heating oil pollution liability trust account. The state of Washington, the pollution liability insurance agency, and its officers and employees are immune from all liability, and no cause of action arises from any act or omission in providing, or failing to provide, such advice, opinion, conclusion, or assistance;

(10) Establish a public information program to provide information regarding liability, technical, and environmental requirements associated with active and abandoned heating oil tanks;

(11) Monitor agency expenditures and seek to minimize costs and maximize benefits to ensure responsible financial stewardship;

(12) ((Create an advisory committee of stakeholders to advise the director on all aspects of program operations and fees authorized by this chapter, including pollution prevention programs. The advisory committee must have one member each from the Pacific Northwest oil heat council, the Washington oil marketers association, the western states petroleum association, and the department of ecology and three members from among the owners of home heating oil tanks registered with the pollution liability insurance agency who are generally representative of the geographical distribution and types of registered owners. The committee should meet at least quarterly, or more frequently at the discretion of the director; and

(13))) Study if appropriate user fees to supplement program funding are necessary and develop recommendations for legislation to authorize such fees.

Parks Centennial Advisory Committee

Sec. 12. RCW 79A.75.900 and 2004 c 14 s 5 are each amended to read as follows:

This act expires ((December 31, 2013)) June 30, 2009.

Prescription Drug Purchasing Consortium Advisory Committee

Sec. 13. RCW 70.14.060 and 2005 c 129 s 1 are each amended to read as follows:

(1) The administrator of the state health care authority shall, directly or by contract, adopt policies necessary for establishment of a prescription drug purchasing consortium. The consortium's purchasing activities shall be based upon the evidence-based prescription drug program established under RCW 70.14.050. State purchased health care programs as defined in RCW 41.05.011 shall purchase prescription drugs through the consortium for those prescription drugs that are purchased directly by the state and those that are purchased through reimbursement of pharmacies, unless exempted under The administrator shall not require any this section. supplemental rebate offered to the department of social and health services by a pharmaceutical manufacturer for prescription drugs purchased for medical assistance program clients under chapter 74.09 RCW be extended to any other state purchased health care program, or to any other individuals or entities participating in the consortium. The administrator shall explore joint purchasing opportunities with other states.

(2) Participation in the purchasing consortium shall be offered as an option beginning January 1, 2006. Participation in the consortium is purely voluntary for units of local government, private entities, labor organizations, and for individuals who lack or are underinsured for prescription drug coverage. The administrator may set reasonable fees, including enrollment fees, to cover administrative costs attributable to participation in the prescription drug consortium.

(3) ((The prescription drug consortium advisory committee is created within the authority. The function of the prescription drug advisory committee is to advise the administrator of the state health care authority on the implementation of the prescription drug purchasing consortium.

(4) The prescription drug consortium advisory committee shall be composed of eleven members selected as provided in this subsection.

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(a) The administrator shall select one member of the prescription drug consortium advisory committee from each list of three nominees submitted by statewide organizations representing the following:

(i) One representative of state employees, who represents an employee union certified as exclusive representative of at least one bargaining unit of classified employees;

(ii) One member who is a licensed physician;

(iii) One member who is a licensed pharmacist;

(iv) One member who is a licensed advanced registered nurse practitioner;

(v) One member representing a health carrier licensed under Title 48 RCW; and

(b) The administrator shall select two members of the advisory committee from a list of nominees submitted by statewide organizations representing consumers. One of the consumer members shall have knowledge or experience regarding senior citizen prescription drug cost and utilization issues:

(c) The administrator shall select two members of the advisory committee from a list of nominees submitted by statewide organizations representing business, one of whom shall represent small businesses who employ fifty or fewer employees and one of whom shall represent large businesses; and

(d) The administrator shall select one member who is versed in biologic medicine through research or academia from the University of Washington or Washington State University.

(5) The administrator shall consult with the advisory committee on at least a quarterly basis on significant policy decisions related to implementation of the purchasing consortium.

(-(6))) This section does not apply to state purchased health care services that are purchased from or through health carriers as defined in RCW 48.43.005, or group model health maintenance organizations that are accredited by the national committee for quality assurance.

(((7))) (4) The state health care authority is authorized to adopt rules implementing chapter 129, Laws of 2005.

(((3))) (5) State purchased health care programs are exempt from the requirements of this section if they can demonstrate to the administrator that, as a result of the availability of federal programs or other purchasing arrangements, their other purchasing mechanisms will result in greater discounts and aggregate cost savings than would be realized through participation in the consortium.

Risk Management Advisory Committee

<u>NEW SECTION.</u> Sec. 14. RCW 4.92.230 (Risk management--Advisory committee created--Duties) and 2002 c 332 s 19 & 1989 c 419 s 7 are each repealed.

Sec. 15. RCW 4.92.130 and 2002 c 332 s 14 are each amended to read as follows:

A liability account in the custody of the treasurer is hereby created as a nonappropriated account to be used solely and exclusively for the payment of liability settlements and judgments against the state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of its officers, employees, and volunteers and all related legal defense costs.

(1) The purpose of the liability account is to: (a) Expeditiously pay legal liabilities and defense costs of the state resulting from tortious conduct; (b) promote risk control through a cost allocation system which recognizes agency loss experience, levels of self-retention, and levels of risk exposure; and (c) establish an actuarially sound system to pay incurred losses, within defined limits.

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(2) The liability account shall be used to pay claims for injury and property damages and legal defense costs exclusive of agency-retained expenses otherwise budgeted.

(3) No money shall be paid from the liability account, except for defense costs, unless all proceeds available to the claimant from any valid and collectible liability insurance shall have been exhausted and unless:

(a) The claim shall have been reduced to final judgment in a court of competent jurisdiction; or

(b) The claim has been approved for payment.

(4) The liability account shall be financed through annual premiums assessed to state agencies, based on sound actuarial principles, and shall be for liability coverage in excess of agency-budgeted self-retention levels.

(5) Annual premium levels shall be determined by the risk manager((, with the consultation and advice of the risk management advisory committee)). An actuarial study shall be conducted to assist in determining the appropriate level of funding.

(6) Disbursements for claims from the liability account shall be made to the claimant, or to the clerk of the court for judgments, upon written request to the state treasurer from the risk manager.

(7) The director may direct agencies to transfer moneys from other funds and accounts to the liability account if premiums are delinquent.

(8) The liability account shall not exceed fifty percent of the actuarial value of the outstanding liability as determined annually by the risk management division. If the account exceeds the maximum amount specified in this section, premiums may be adjusted by the risk management division in order to maintain the account balance at the maximum limits. If, after adjustment of premiums, the account balance remains above the limits specified, the excess amount shall be prorated back to the appropriate funds.

Securities Advisory Committee

<u>NEW SECTION.</u> Sec. 16. The following acts or parts of acts are each repealed:

(1) RCW 21.20.550 (State advisory committee--Composition, appointment, qualifications) and 1973 1st ex.s. c 171 s 3 & 1959 c 282 s 55;

(2) RCW 21.20.560 (State advisory committee-Chairperson, secretary--Meetings) and 1979 ex.s. c $68 ext{ s } 39$, 1973 1st ex.s. c $171 ext{ s } 4$, & 1959 c $282 ext{ s } 56$;

(3) RCW 21.20.570 (State advisory committee--Terms--Vacancies) and 1959 c 282 s 57;

(4) RCW 21.20.580 (State advisory committee--Duties) and 1981 c 272 s 10, 1979 ex.s. c 68 s 40, & 1959 c 282 s 58; and

(5) RCW 21.20.590 (State advisory committee-Reimbursement of travel expenses) and 1981 c 272 s 11, 1975-'76 2nd ex.s. c 34 s 65, & 1959 c 282 s 59.

Radiologic Technologists Ad Hoc Committee

Sec. 17. RCW 18.84.040 and 2008 c 246 s 4 are each amended to read as follows:

(1) In addition to any other authority provided by law, the secretary may:

(a) Adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this chapter;

(b) Set all registration, certification, and renewal fees in accordance with RCW 43.70.250;

(c) Establish forms and procedures necessary to administer this chapter;

(d) Evaluate and designate those schools from which graduation will be accepted as proof of an applicant's eligibility to receive a certificate;

(e) Determine whether alternative methods of training are equivalent to formal education, and to establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to receive a certificate;

(f) Issue a certificate to any applicant who has met the education, training, examination, and conduct requirements for certification; and

(g) Issue a registration to an applicant who meets the requirement for a registration.

(2) The secretary may hire clerical, administrative, and investigative staff as needed to implement this chapter.

(3) The uniform disciplinary act, chapter 18.130 RCW, governs the issuance and denial of registrations and certifications, unregistered and uncertified practice, and the discipline of registrants and certificants under this chapter. The secretary is the disciplining authority under this chapter.

(((4) The secretary may appoint ad hoc members of the profession to serve in an ad hoc advisory capacity to the secretary in carrying out this chapter. The members will serve for designated times and provide advice on matters specifically identified and requested by the secretary. The members shall be compensated in accordance with RCW 43.03.220 and reimbursed for travel expenses under RCW 43.03.040 and 43.03.060.))

Sec. 18. RCW 18.84.070 and 1994 sp.s. c 9 s 507 are each amended to read as follows:

The secretary((, ad hoc committee members,)) or individuals acting on ((their)) <u>his or her</u> behalf are immune from suit in any civil action based on any certification or disciplinary proceedings or other official acts performed in the course of their duties.

Foster Care Endowed Scholarship Advisory Board

<u>NEW SECTION.</u> Sec. 19. RCW 28B.116.040 (Foster care endowed scholarship advisory board) and 2005 c 215 s 5 are each repealed.

Sec. 20. RCW 28B.116.020 and 2005 c 215 s 3 are each amended to read as follows:

(1) The foster care endowed scholarship program is created. The purpose of the program is to help students who were in foster care attend an institution of higher education in the state of Washington. The foster care endowed scholarship program shall be administered by the higher education coordinating board.

(2) In administering the program, the higher education coordinating board's powers and duties shall include but not be limited to:

(a) Adopting necessary rules and guidelines; and

(b) Administering the foster care endowed scholarship trust fund and the foster care scholarship endowment fund((; and

(c) Establishing and assisting the foster care endowed scholarship advisory board in its duties as described in RCW 28B.116.040)).

(3) In administering the program, the higher education coordinating board's powers and duties may include but not be limited to:

(a) Working with the department of social and health services and the superintendent of public instruction to provide information about the foster care endowed scholarship program to children in foster care in the state of Washington and to students over the age of sixteen who could be eligible for this program;

(b) Publicizing the program; and

(c) Contracting with a private agency to perform outreach to the potentially eligible students.

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Sec. 21. RCW 28B.12.040 and 1994 c 130 s 4 are each amended to read as follows:

((With the assistance of an advisory committee;)) The higher education coordinating board shall develop and administer the state work-study program. The board shall be authorized to enter into agreements with employers and eligible institutions for the operation of the program. These agreements shall include such provisions as the higher education coordinating board may deem necessary or appropriate to carry out the purposes of this chapter.

((The members of the work-study advisory committee may include, but need not be limited to representatives of public and private community colleges, technical colleges, and four-year institutions of higher education; vocational schools; students; community service organizations; public schools; business; and labor. When selecting members of the advisory committee, the board shall consult with institutions of higher education, the state board for community and technical colleges, the workforce training and education coordinating board, and appropriate associations and organizations.)) With the exception of offcampus community service placements, the share from moneys disbursed under the state work-study program of the compensation of students employed under such program in accordance with such agreements shall not exceed eighty percent of the total such compensation paid such students.

By rule, the board shall define community service placements and may determine any salary matching requirements for any community service employers.

Sexual Offender Treatment Providers Advisory Committee

<u>NEW SECTION.</u> Sec. 22. RCW 18.155.050 (Sexual offender treatment providers advisory committee) and 1990 c 3 s 805 are each repealed.

Vendor Rates Advisory Committee

<u>NEW SECTION.</u> Sec. 23. The following acts or parts of acts are each repealed:

(1) RCW 74.32.100 (Advisory committee on vendor rates--Created--Members--Chairman) and 1971 ex.s. c 87 s 1 & 1969 ex.s. c 203 s 1;

(2) RCW 74.32.110 (Advisory committee on vendor rates-"Vendor rates" defined) and 1969 ex.s. c 203 s 2;

(3) RCW 74.32.120 (Advisory committee on vendor rates--Meetings--Travel expenses) and 1975-'76 2nd ex.s. c 34 s 170 & 1969 ex.s. c 203 s 3;

(4) RCW 74.32.130 (Advisory committee on vendor rates-Powers and duties) and 1971 ex.s. c 87 s 2 & 1969 ex.s. c 203 s 4;

(5) RCW 74.32.140 (Investigation to determine if additional requirements or standards affecting vendor group) and 1971 ex.s. c 298 s 1;

(6) RCW 74.32.150 (Investigation to determine if additional requirements or standards affecting vendor group--Scope of investigation) and 1971 ex.s. c 298 s 2;

(7) RCW 74.32.160 (Investigation to determine if additional requirements or standards affecting vendor group--Changes investigated regardless of source) and 1971 ex.s. c 298 s 3;

(8) RCW 74.32.170 (Investigation to determine if additional requirements or standards affecting vendor group--Prevailing wage scales and fringe benefit programs to be considered) and 1971 ex.s. c 298 s 4; and

(9) RCW 74.32.180 (Investigation to determine if additional requirements or standards affecting vendor group--Additional factors to be accounted for) and 1971 ex.s. c 298 s 5.

Higher Education Coordinating Board--Work Study

Organized Crime Advisory Board

<u>NEW SECTION.</u> Sec. 24. The following acts or parts of acts are each repealed:

(1) RCW 43.43.858 (Organized crime advisory board--Created--Membership--Meetings--Travel expenses) and 2000 c 38 s 1, 1987 c 65 s 1, 1980 c 146 s 14, 1975-'76 2nd ex.s. c 34 s 115, & 1973 1st ex.s. c 202 s 5;

(2) RCW 43.43.860 (Organized crime advisory board-Terms of members) and 1987 c 65 s 2, 1980 c 146 s 15, & 1973 1st ex.s. c 202 s 6;

(3) RCW 43.43.862 (Organized crime advisory board-Powers and duties) and 1973 1st ex.s. c 202 s 7;

(4) RCW 43.43.864 (Information to be furnished board-Security--Confidentiality) and 1973 1st ex.s. c 202 s 8;

(5) RCW 10.29.030 (Appointment of statewide special inquiry judge--Procedure--Term--Confidentiality) and 2005 c 274 s 204 & 1980 c 146 s 3;

(6) RCW 10.29.040 (Scope of investigation and proceeding--Request for additional authority) and 1980 c 146 s 4;

(7) RCW 10.29.080 (Special prosecutor--Selection--Qualifications--Removal) and 1980 c 146 s 8; and

(8) RCW 10.29.090 (Operating budget--Contents--Audit) and 2005 c 274 s 205 & 1980 c 146 s 9.

Sec. 25. RCW 43.43.866 and 1980 c 146 s 16 are each amended to read as follows:

There shall be a fund known as the organized crime prosecution revolving fund which shall consist of such moneys as may be appropriated by law. The state treasurer shall be custodian of the revolving fund. Disbursements from the revolving fund shall be subject to budget approval given by the ((organized crime advisory board pursuant to RCW 10.29.090)) chief of the Washington state patrol, and may be made either on authorization of the governor or the governor's designee, or upon request of ((a majority of the members of the organized crime advisory board)) the chief of the Washington state patrol. In order to maintain an effective expenditure and revenue control, the organized crime prosecution revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from the fund.

Sec. 26. RCW 43.10.240 and 1985 c 251 s 1 are each amended to read as follows:

The attorney general shall annually report to the ((organized crime advisory board)) chief of the Washington state patrol a summary of the attorney general's investigative and criminal prosecution activity conducted pursuant to this chapter. Except to the extent the summary describes information that is a matter of public record, the information made available to the ((board)) chief of the Washington state patrol shall be given all necessary security protection in accordance with the terms and provisions of applicable laws and rules and shall not be revealed or divulged publicly or privately ((by members of the board)).

Lieutenant Governor Appointments and Assignments

Sec. 27. RCW 43.15.020 and 2008 c 152 s 9 are each amended to read as follows:

The lieutenant governor serves as president of the senate and is responsible for making appointments to, and serving on, the committees and boards as set forth in this section.

(1) The lieutenant governor serves on the following boards and committees:

(a) Capitol furnishings preservation committee, RCW 27.48.040;

(b) Washington higher education facilities authority, RCW 28B.07.030;

(c) Productivity board, also known as the employee involvement and recognition board, RCW 41.60.015;

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(d) State finance committee, RCW 43.33.010; (e) State capitol committee, RCW 43.34.010;

(f) Washington health care facilities authority, RCW 70.37.030;

(g) State medal of merit nominating committee, RCW 1.40.020;

(h) Medal of valor committee, RCW 1.60.020; and

(i) Association of Washington generals, RCW 43.15.030.

(2) The lieutenant governor, and when serving as president of the senate, appoints members to the following boards and committees:

(a) ((Organized crime advisory board, RCW 43.43.858;

(b))) Civil legal aid oversight committee, RCW 2.53.010; (((c))) (b) Office of public defense advisory committee,

RCW 2.70.030; $\left(\left(\frac{(d)}{(d)}\right)\right)$ (c) Washington state gambling commission, RCW 9.46.040;

 $(((\leftrightarrow)))$ (d) Sentencing guidelines commission, RCW 9.94A.860;

(((f))) (e) State building code council, RCW 19.27.070;

((((g)))) (f) Women's history consortium board of advisors, RCW 27.34.365;

(((h))) (<u>g</u>) Financial literacy public-private partnership, RCW 28A.300.450;

(((i))) (<u>h</u>) Joint administrative rules review committee, RCW 34.05,610;

(((j))) (i) Capital projects advisory review board, RCW 39.10.220;

(((k))) (j) Select committee on pension policy, RCW 41.04.276;

(((+))) (k) Legislative ethics board, RCW 42.52.310;

(((m))) (<u>1</u>) Washington citizens' commission on salaries, RCW 43.03.305;

 $(((\frac{n}{2})))$ (<u>m</u>) Legislative oral history ((advisory)) committee, RCW ((43.07.230)) 44.04.325;

((((o)))) (<u>n</u>) State council on aging, RCW 43.20A.685;

(((p))) (o) State investment board, RCW 43.33A.020;

 $(((\overrightarrow{q})))$ (<u>p</u>) Capitol campus design advisory committee, RCW 43.34.080;

((B))) (q) Washington state arts commission, RCW 43.46.015;

((((s))) ®) Information services board, RCW 43.105.032;

(((f))) (s) K-20 educational network board, RCW 43.105.800;

 $(((\mathbf{u})))$ (t) Municipal research council, RCW 43.110.010;

 $(((\forall)))$ (u) Council for children and families, RCW 43.121.020;

((((w)))) (v) PNWER-Net working subgroup under chapter 43.147 RCW;

 $(((\mathbf{x})))$ (w) Community economic revitalization board, RCW 43.160.030;

 $(((\overline{y})))$ (x) Washington economic development finance authority, RCW 43.163.020;

(((z) Tourism development advisory committee, RCW 43.330.095;

(aa))) (y) Life sciences discovery fund authority, RCW 43.350.020;

(((bb))) (z) Legislative children's oversight committee, RCW 44.04.220;

(((cc))) <u>(aa)</u> Joint legislative audit and review committee, RCW 44.28.010;

(((dd))) <u>(bb)</u> Joint committee on energy supply and energy conservation, RCW 44.39.015;

(((cc))) (<u>cc</u>) Legislative evaluation and accountability program committee, RCW 44.48.010;

(((ff))) (<u>dd</u>) Agency council on coordinated transportation, RCW 47.06B.020;

(((gg))) (ee) Manufactured housing task force, RCW 59.22.090;

(((hh))) (ff) Washington horse racing commission, RCW 67.16.014;

(((iii))) (gg) Correctional industries board of directors, RCW 72.09.080;

((((jj))) (hh) Joint committee on veterans' and military affairs, RCW 73.04.150;

(((kk) Washington state parks centennial advisory committee, RCW 79A.75.010;

(11) Puget Sound council, RCW 90.71.030;

(mm))) (ii) Joint legislative committee on water supply during drought, RCW 90.86.020;

(((nn))) (jj) Statute law committee, RCW 1.08.001; and

 $(((\frac{1}{1})))$ (kk) Joint legislative oversight committee on trade policy, RCW 44.55.020.

NEW SECTION. Sec. 28. (1) All documents and papers, equipment, or other tangible property in the possession of the terminated entity shall be delivered to the custody of the entity assuming the responsibilities of the terminated entity or if such responsibilities have been eliminated, documents and papers shall be delivered to the state archivist and equipment or other tangible property to the department of general administration.

(2) All funds held by, or other moneys due to, the terminated entity shall revert to the fund from which they were appropriated, or if that fund is abolished to the general fund.

(3) All contractual rights and duties of an entity shall be assigned or delegated to the entity assuming the responsibilities of the terminated entity, or if there is none to such entity as the governor shall direct.

NEW SECTION. Sec. 29. Subheadings used in this act are not any part of the law.

NEW SECTION. Sec. 30. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2009." Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Pridemore moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5995. Senators Pridemore and Roach spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Pridemore that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5995.

The motion by Senator Pridemore carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 5995 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5995, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5995, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Tom and Zarelli

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Voting nay: Senators Jacobsen and Swecker Excused: Senator Benton

ENGROSSED SENATE BILL NO. 5995, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Senate Rule 15 was suspended for the remainder of the day.

MOTION

On motion of Senator Morton, Senators Delvin and McCaslin were excused.

MOTION

On motion of Senator Eide, the Senate reverted to the first order of business.

SUPPLEMENTAL REPORTS OF STANDING COMMITTEES

April 26, 2009 Prime Sponsor, Senator Fraser: Concerning SB 5223 state general obligation bonds and related accounts. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5223 be substituted therefor, and the substitute bill do pass. Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley; Hobbs; Keiser; Kline; Kohl-Welles; McDermott; Murray; Oemig; Pridemore; Regala and Rockefeller.

MINORITY recommendation: Do not pass. Signed by Senators Zarelli; Hewitt; Honeyford; Parlette; Pflug and Schoesler.

Passed to Committee on Rules for second reading.

April 26, 2009

SB 6138 Prime Sponsor, Senator Prentice: Relating to common schools. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 6138 be substituted therefor, and the substitute bill do pass. Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley; Hobbs; Keiser; Kline; Kohl-Welles; McDermott; Murray; Oemig; Pflug; Pridemore and Regala.

MINORITY recommendation: Do not pass. Signed by Senators Zarelli; Honeyford; Parlette and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Brandland.

Passed to Committee on Rules for second reading.

April 26, 2009

ESHB 1216 Prime Sponsor, Committee on Capital Budget: Concerning the capital budget. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended. Signed by Senators Prentice, Chair, Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Brandland; Fairley; Hobbs; Keiser; Kline; Kohl-Welles; McDermott; Murray; Oemig; Pridemore; Regala and Rockefeller.

MINORITY recommendation: Do not pass. Signed by Senators Zarelli; Hewitt; Honeyford; Parlette; Pflug and Schoesler.

Passed to Committee on Rules for second reading.

MOTION

Senator Eide moved that the rules be suspended and all measures listed on the Supplemental Standing Committee report be placed on the second reading calendar.

POINT OF ORDER

Senator Schoesler: "Rule 45, 11, states 'all reports of standing committees must to be on the Secretary's desk one hour prior to convening of the session in order to be read said session." Pursuant to this provision, is the report on Substitute Senate Bill No. 6138 properly before us?"

MOTION

On motion of Senator Eide, the question of placing the measures listed on the Supplemental Standing Committee report on the day's second reading calendar was divided.

The President declared the question before the Senate to be the motion by Senator Eide that Senate Bill No. 5223 and Engrossed Substitute House Bill No. 1216 be placed on the second reading calendar of the day.

The motion by Senator Eide carried by a voice vote.

The President declared the question before the Senate to be the point of order raised by Senator Schoesler.

RULING BY THE PRESIDENT

President Owen: "Senator Schoesler, the President believes that your point is well taken that the bill is not appropriately before us without suspending the Rule 45, sub 11."

Further consideration of the report by the Committee on Ways and Means on Senate Bill No. 6138 was deferred and the report was held at the desk.

POINT OF ORDER

Senator Brandland: "Mr, President, and I notice that you made reference to our Constitution your duties and I decided to check our little red book and check on your duties. Could I read Mr. President?"

REPLY BY THE PRESIDENT

President Owen: "Depends on whether or not you're arguing with my point or not. Senator Brandland. Please."

POINT OF ORDER

Senator Brandland: "It says, 'He shall receive an annual salary of \$2,500 dollars which may be increased by the

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legislature but shall never exceed \$3,000 dollars per annual, period."

REPLY BY THE PRESIDENT

President Owen: "Some parts of the Constitution matters and others don't. You know, for a person that's six-footsomething tall, you're getting harder and harder and harder to see."

REMARKS BY THE PRESIDENT

President Owen: "In a more serious note it was Senator Brandland that asked me to, for the gentleman, we have a couple members that are not feeling well and they are in the men's lounge and if we could be quiet when we go in there, it would be helpful to them. Appreciate it very much."

MOTION

Senator Eide moved that the Senate advance to the ninth order for the purpose of relieving the Committee on Ways and Means of further consideration of Senate Bill No. 6183.

MOTION

Senator Schoesler moved that the motion by Senator Eide be amended to include that the Committee on Government Operations & Elections be relieved of further consideration of Senate Bill No. 5186.

Senator Eide spoke against the motion.

Senator Schoesler spoke in favor of the motion.

MOTION

Senator Schoesler demanded a roll call vote.

The President declared that at least one-sixth of the Senate joined the demand and the demand was sustained.

The President declared the question before the Senate to be the motion by Senator Schoesler that the motion by Senator Eide be amended to include that the Committee on Government Operations & Elections be relieved of further consideration of Senate Bill No. 5186.

The Secretary called the roll on the motion by Senator Schoesler that the motion by Senator Eide be amended and the motion failed by the following vote: Yeas, 15; Nays, 31; Absent, 0; Excused, 3.

Voting yea: Senators Becker, Brandland, Carrell, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Roach, Schoesler, Stevens, Swecker and Zarelli

Voting nay: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, Sheldon, Shin and Tom Excused: Senators Benton, Delvin and McCaslin

MOTION

Senator McDermott moved that, pursuant to Rule 48, the Committee on Ways & Means be relieved of further consideration of Senate Bill No. 6138 and the bill be placed on the second reading calendar.

REPLY BY THE PRESIDENT

President Owen: "Senator McDermott, you're one step ahead. We still have to dispose of Senator Eide's motion that we advance to the ninth order for the purpose of relieving the committee."

MOTION

Senator McDermott demanded that the previous question be put.

The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be the motion of Senator McDermott, "Shall the main question be now put?'

The motion by Senator McDermott that the previous question be put carried by voice vote.

MOTION

Senator Schoesler moved that the motion by Senator Eide be amended to include that the Committee on Health & Long-Term Care be relieved of further consideration of Senate Bill No. 5052 and the Committee on Ways & Means be relieved of further consideration of Senate Bill No. 6057 and Senate Bill No. 5409.

RULING BY THE PRESIDENT

President Owen: "Senator Schoesler, your motion is out of order because the previous question had already been demanded."

The President declared the question before the Senate to be the motion by Senator Eide that the Senate advance to the ninth order of business for the purpose of relieving the Committee on Ways & Means of Senate Bill No. 6138.

The motion by Senator Eide to advance to the ninth order carried by a voice vote.

MOTION

Senator Eide moved pursuant to Rule 48, the Committee on Ways & Means be relieved of further consideration of Senate Bill No. 6138 and the bill be placed on the second reading calendar.

The President declared the question before the Senate to be the motion by Senator Eide the Committee on Ways & Means be relieved of further consideration of Senate Bill No. 6138 and the bill be placed on the second reading calendar.

The motion by Senator Eide carried by voice vote.

MOTION

Senator Eide moved that the Senate revert to the sixth order of business.

MOTION

Senator Schoesler demanded a roll call vote. The President declared that at least one-sixth of the Senate joined the demand.

Senator Schoesler withdrew the motion for a roll call.

MOTION

On motion of Senator Eide, the Senate reverted to the sixth order of business.

MOTION

At 10:30 p.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 10:57 p.m. by President Owen.

SIGNED BY THE PRESIDENT

The President signed: SUBSTITUTE SENATE BILL NO. 6122.

MOTION

On motion of Senator McDermott, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House has passed the following bills: ENGROSSED SUBSTITUTE SENATE BILL NO. 6170, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House concurred in Senate amendment to the following bills and passed the bills as amended by the Senate: SUBSTITUTE HOUSE BILL NO. 2361,

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The Speaker has signed the following: ENGROSSED SUBSTITUTE SENATE BILL NO. 5073, ENGROSSED SUBSTITUTE SENATE BILL NO. 5263, SUBSTITUTE SENATE BILL NO. 5285. ENGROSSED SUBSTITUTE SENATE BILL NO. 5288, ENGROSSED SUBSTITUTE SENATE BILL NO. 5321, ENGROSSED SUBSTITUTE SENATE BILL NO. 5352, ENGROSSED SUBSTITUTE SENATE BILL NO. 5354, ENGROSSED SUBSTITUTE SENATE BILL NO. 5421, SUBSTITUTE SENATE BILL NO. 5431, SUBSTITUTE SENATE BILL NO. 5436, SUBSTITUTE SENATE BILL NO. 5499, SUBSTITUTE SENATE BILL NO. 5510, SUBSTITUTE SENATE BILL NO. 5537, SENATE BILL NO. 5554, SUBSTITUTE SENATE BILL NO. 5574, SUBSTITUTE SENATE BILL NO. 5777, SUBSTITUTE SENATE BILL NO. 5795, ENGROSSED SUBSTITUTE SENATE BILL NO. 5811, ENGROSSED SUBSTITUTE SENATE BILL NO. 5889, SUBSTITUTE SENATE BILL NO. 5913, ENGROSSED SENATE BILL NO. 5915, SENATE BILL NO. 6002, SENATE BILL NO. 6121, SENATE BILL NO. 6126, SENATE BILL NO. 6157 ENGROSSED SENATE BILL NO. 6158, SUBSTITUTE SENATE BILL NO. 6161,

ONE-HUNDRED FIFTH DAY, APRIL 26, 2009 SUBSTITUTE SENATE BILL NO. 6162, SENATE BILL NO. 6165. ENGROSSED SENATE BILL NO. 6166, SENATE BILL NO. 6167, SENATE BILL NO. 6168, SENATE BILL NO. 6173, SENATE BILL NO. 6179. ENGROSSED SUBSTITÚTE SENATE BILL NO. 6180, SENATE BILL NO. 6181.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House receded in its amendment to SUBSTITUTE SENATE BILL NO. 6171. Under suspension of rules, the bill was returned to second reading for the purpose of an amendment. The House adopted the following amendment: 6171-S AMH CAMP BLAC 387 and passed the bill as amended by the House.

On page 11, line 25, after "health" strike "((shall)) may" and inert "shall'

On page 11, line 26, after "pesticides" insert "according to the degree of risk that the exposure presents to the individual and the greater population as well as the level of funding appropriated in the operating budget" and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Keiser moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6171.

Senator Keiser spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Keiser that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6171.

The motion by Senator Keiser carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 6171 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6171, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6171, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 29; Nays, 16; Absent, 1; Excused, 3.

Voting yea: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Shin and Tom

Voting nay: Senators Becker, Brandland, Carrell, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Roach, Schoesler, Sheldon, Stevens, Swecker and Zarelli

Absent: Senator Rockefeller

Excused: Senators Benton, Delvin and McCaslin

SUBSTITUTE SENATE BILL NO. 6171, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING

SENATE BILL NO. 6138, by Senator Prentice

Relating to common schools. Revised for 1st Substitute: Making corrections to implement 2009 Substitute House Bill No. 1776 regarding temporary maximum levy percentages.

MOTION

On motion of Senator Tom, Substitute Senate Bill No. 6138 was substituted for Senate Bill No. 6138 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Pflug moved that the following amendment by Senator Pflug be adopted.

On page 4, line 9, after "percentage of", strike "thirty-five" and insert "((thirty-five-))twenty-eight"

On page 4, line 11, after "2011" insert ", except that for districts grandfathered above twenty-eight percent as of the effective date of this section, the authority to collect the grandfathered level is retained"

Senator Pflug spoke in favor of adoption of the amendment. Senator Tom spoke against adoption of the amendment.

MOTION

Senator Schoesler demanded a roll call vote.

The President declared that at least one-sixth of the Senate joined the demand and the demand was sustained.

The Secretary called the roll on the adoption of the amendment by Senator Pflug and the amendment was not adopted by the following vote: Yeas, 16; Nays, 30; Absent, 0; Excused, 3.

Voting yea: Senators Becker, Brandland, Carrell, Hatfield, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Roach, Schoesler, Stevens, Swecker and Zarelli

Voting nay: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, Sheldon, Shin and Tom

Excused: Senators Benton, Delvin and McCaslin

MOTION

On motion of Senator Tom, the rules were suspended, Substitute Senate Bill No. 6138 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Tom spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6138.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6138 and the bill passed the Senate by the following vote: Yeas, 31; Nays, 15; Absent, 0; Excused, 3

Voting yea: Senators Berkey, Brown, Eide, Fairley,

Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, Sheldon, Shin and Tom

Voting nay: Senators Becker, Brandland, Carrell, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Roach, Schoesler, Stevens, Swecker and Zarelli

Excused: Senators Benton, Delvin and McCaslin

SUBSTITUTE SENATE BILL NO. 6138, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Substitute Senate Bill No. 6138 was immediately transmitted to the House of Representatives.

MOTION

On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House has passed the following bills: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1272, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Eide, the Senate advanced to the fifth order of business.

SUPPLEMENTAL INTRODUCTION AND FIRST READING OF HOUSE BILLS

ESHB 1272 by House Committee on Capital Budget (originally sponsored by Representatives Dunshee and White)

AN ACT Relating to state general obligation bonds and related accounts; amending RCW 47.10.867 and 47.56.850; adding new sections to chapter 47.10 RCW; adding a new chapter to Title 43 RCW; and declaring an emergency.

MOTION

On motion of Senator Eide, the rules were suspended and Engrossed Substitute House Bill No. 1272 was placed on the second reading calendar.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1272, by House Committee on Capital Budget (originally sponsored by Representatives Dunshee and White)

Concerning state general obligation bonds and related accounts.

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The measure was read the second time.

MOTION

On motion of Senator Fraser, the rules were suspended, Engrossed Substitute House Bill No. 1272 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Fraser spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1272.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1272 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 15; Absent, 1; Excused, 3.

Voting yea: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Sheldon, Shin and Tom

Voting nay: Senators Becker, Brandland, Carrell, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Roach, Schoesler, Stevens, Swecker and Zarelli

Absent: Senator Rockefeller

Excused: Senators Benton, Delvin and McCaslin

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1272, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1216, by House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Warnick and Ormsby)

Adopting a 2009-2011 capital budget. Revised for 1st Substitute: Concerning the capital budget.

The measure was read the second time.

MOTION

Senator Fraser moved that the following committee amendment by the Committee on Ways & Means be adopted. On page 31, on line 35, increase the amount by \$550,000 On page 32, on line 3, increase the amount by \$550,000 On page 32, on line 28, decrease the amount by \$469,000 On page 33, on line 4, decrease the amount by \$469,000 On page 33, delete all material on line 34 On page 33, on line 21, increase the amount by \$938,000 On page 33, after line 34, insert the following: "Small Community Jobs - Connell Infrastructure \$1,100,000" On page 33, on line 23, after "agreement with" delete "Kalspel" and insert "Kalspel" On page 33, delete all material on line 31 On page 33, delete all material on line 35 On page 34, delete all material on line 11 On page 148, after line 3, insert the following:

"NEW SECTION. Sec. 4009. FOR THE DEPARTMENT

OF TRANSPORTATION--

LOCAL PROGRAMS--PROGRAM Z--CAPITAL

Freight Mobility Multimodal Account--State

TOTAL APPROPRIATION

\$700,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation is provided solely for the west Vancouver freight access project (4LP701F) as identified on LEAP Transportation Document ALL PROJECTS 2009-2 as developed April 24, 2009, Program - Local Program (Z) referenced in section 311, chapter . . . (Engrossed Substitute Senate Bill 5352), Laws of 2009."

Senator Fraser spoke in favor of adoption of the committee amendment.

The President declared the question before the Senate to be the adoption of the committee amendment by the Committee on Ways & Means to Engrossed Substitute House Bill No. 1216.

The motion by Senator Fraser carried and the committee amendment was adopted by voice vote.

MOTION

Senator Fraser moved that the following committee amendment by the Committee on Ways & Means be adopted.

On page 238, after line 36, insert the following:

"Sec. 6028 RCW 28A.335.210 and 2006 c 263 s 327 are each amended to read as follows:

(1) The superintendent of public instruction shall allocate, as a nondeductible item, out of any moneys appropriated for state assistance to school districts for the original construction of any school plant facility the amount of one-half of one percent of the appropriation to be expended by the Washington state arts commission for the acquisition of works of art. The works of art may be placed in accordance with Article IX, sections 2 and 3 of the state Constitution on public lands, integral to or attached to a public building or structure, detached within or outside a public building or structure, part of a portable exhibition or collection, part of a temporary exhibition, or loaned or exhibited in other public facilities. The Washington state arts commission shall, in consultation with the superintendent of public instruction, determine the amount to be made available for the purchase of works of art under this section, and payments therefor shall be made in accordance with law. The designation of projects and sites, selection, contracting, purchase, commissioning, reviewing of design, execution and placement, acceptance, maintenance, and sale, exchange, or disposition of works of art shall be the responsibility of the Washington state arts commission in consultation with the superintendent of public instruction and representatives of school district boards of directors. The superintendent of public instruction and the school district board of directors of the districts where the sites are selected shall have the right to:

(((+))) (a) Waive its use of the one-half of one percent of the appropriation for the acquisition of works of art before the selection process by the Washington state arts commission;

(((2))) (b) Appoint a representative to the body established by the Washington state arts commission to be part of the selection process with full voting rights;

(((3))) (c) Reject the results of the selection process;

Rejection at any point before or after the selection process shall not cause the loss of or otherwise endanger state construction funds available to the local school district. Any works of art rejected under this section shall be applied to the provision of works of art under this chapter, at the discretion of the Washington state arts commission, notwithstanding any contract or agreement between the affected school district and the artist involved. In addition to the cost of the works of art the one-half of one percent of the appropriation as provided in this section shall be used to provide for the administration, including conservation of the state art collection, by the Washington state arts commission and all costs for installation of the work of art. For the purpose of this section building shall not include sheds, warehouses, or other buildings of a temporary nature.

The executive director of the arts commission, the superintendent of public instruction, and the Washington state school directors association shall appoint a study group to review the operations of the one-half of one percent for works of art under this section.

(2) The Washington state arts commission shall restrict the purchase of works of art to artists residing in Washington state.

Sec. 6029 RCW 28B.10.027 and 2005 c 36 s 3 are each amended to read as follows:

(1) All universities and colleges shall allocate as a nondeductible item, out of any moneys appropriated for the original construction or any major renovation or remodel work exceeding two hundred thousand dollars of any building, an amount of one-half of one percent of the appropriation to be expended by the Washington state arts commission with the approval of the board of regents or trustees for the acquisition of works of art. The works of art may be placed on public lands of institutions of higher education, integral to or attached to a public building or structure of institutions of higher education, part of a portable exhibition or collection, part of a temporary exhibition, or loaned or exhibited in other public facilities.

(2) In addition to the cost of the works of art, the one-half of one percent of the appropriation shall be used to provide for the administration of the visual arts program, including conservation of the state art collection, by the Washington state arts commission and all costs for installation of the work of art. For the purpose of this section building shall not include sheds, warehouses, and other buildings of a temporary nature.

(3) The Washington state arts commission shall restrict the purchase of works of art to artists residing in Washington state.

Sec. 6030 RCW 43.17.200 and 2005 c 36 s 4 are each amended to read as follows:

(1) All state agencies including all state departments, boards, councils, commissions, and quasi public corporations shall allocate, as a nondeductible item, out of any moneys appropriated for the original construction of any public building, an amount of one-half of one percent of the appropriation to be expended by the Washington state arts commission for the acquisition of works of art. The works of art may be placed on public lands, integral to or attached to a public building or structure, detached within or outside a public building or structure, part of a portable exhibition or collection, part of a temporary exhibition, or loaned or exhibited in other public facilities. In addition to the cost of the works of art, the one-half of one percent of the appropriation as provided herein shall be used to provide for the administration of the visual arts program, including conservation of the state art collection, by the Washington state arts commission and all costs for installation of the works of art. For the purpose of this section building shall not include highway construction sheds, warehouses or other buildings of a temporary nature.

(2) The Washington state arts commission shall restrict the purchase of works of art to artists residing in Washington state."

Senator Fraser spoke in favor of adoption of the committee amendment.

The President declared the question before the Senate to be the adoption of the committee amendment by the Committee on Ways & Means to Engrossed Substitute House Bill No. 1216.

The motion by Senator Fraser carried and the committee amendment was adopted by voice vote.

ONE-HUNDRED FIFTH DAY, APRIL 26, 2009 MOTION

On motion of Senator Fraser, the rules were suspended, Engrossed Substitute House Bill No. 1216 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Fraser and Brandland spoke in favor of passage of the bill.

Senator Jacobsen spoke against passage of the bill.

MOTION

Senator Eide demanded that the previous question be put. The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be the motion of Senator Eide, "Shall the main question be now put?"

The motion by Senator Eide that the previous question be put carried by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1216 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1216 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 31; Nays, 15; Absent, 0; Excused, 3.

Voting yea: Senators Berkey, Brandland, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jarrett, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, Sheldon, Shin and Tom

Voting nay: Senators Becker, Carrell, Hewitt, Holmquist, Honeyford, Jacobsen, King, Morton, Parlette, Pflug, Roach, Schoesler, Stevens, Swecker and Zarelli

Excused: Senators Benton, Delvin and McCaslin

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1216 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Engrossed Substitute House Bill No. 1216 was immediately transmitted to the House of Representatives.

MOTION

On motion of Senator McDermott, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The House receded from its amendments #549 and #550 to SUBSTITUTE SENATE BILL NO. 5963 and passed the bill without said House amendments. and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

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Senator Marr moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5963.

Senators Holmquist and Kohl-Welles spoke in favor of passage of the motion.

The President declared the question before the Senate to be the motion by Senator Marr that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5963.

The motion by Senator Marr carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5963 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5963, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5963, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Jarrett, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Excused: Senators Benton, Delvin and McCaslin

SUBSTITUTE SENATE BILL NO. 5963, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House has passed the following bills: SENATE BILL NO. 6096, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING

SENATE CONCURRENT RESOLUTION NO. 8407, by Senators Eide and Schoesler

Returning bills to their house of origin.

MOTION

On motion of Senator Eide, the rules were suspended, Senate Concurrent Resolution No. 8407 was advanced to third reading, the second reading considered the third and the Senate concurrent resolution was placed on final passage.

The President declared the question before the Senate to be the adoption of Senate Concurrent Resolution No. 8407.

SENATE CONCURRENT RESOLUTION NO. 8407 was adopted by voice vote.

SECOND READING

SENATE CONCURRENT RESOLUTION NO. 8408, by Senators Brown and Hewitt

Adjourning SINE DIE.

MOTION

On motion of Senator Eide, the rules were suspended, Senate Concurrent Resolution No. 8408 was advanced to third reading, the second reading considered the third and the Senate concurrent resolution was placed on final passage.

The President declared the question before the Senate to be the adoption of Senate Concurrent Resolution No. 8408. SENATE CONCURRENT RESOLUTION NO. 8408 was

adopted by voice vote.

MOTION

On motion of Senator Eide, the Senate advanced to the eighth order of business.

MOTION

Senator Murray moved adoption of the following resolution:

SENATE RESOLUTION 8666

By Senators Murray and Parlette

WHEREAS, The 2009 Regular Session of the Sixty-first Legislature is drawing to a close; and

WHEREAS, It is necessary to provide for the completion of the work of the Senate after its adjournment and during the interim period between the close of the 2009 Regular Session of the Sixty-first Legislature and the convening of the next regular session; and

WHEREAS, The state is experiencing extreme budget pressures and the Senate desires to promote efficiencies and savings within its own internal budget by maintaining certain travel, salary, hiring, contract, and expenditure controls and limitations throughout the fiscal year;

NOW, THEREFORE, BE IT RESOLVED, That the Senate Facilities and Operations Committee shall have full authority and direction over the authorization and execution of any contracts or subcontracts that necessitate the expenditure of Senate appropriations, subject to all applicable budget controls and limitations; and

BE IT FURTHER RESOLVED, That the Senate Facilities and Operations Committee may, as they deem appropriate, authorize travel for which members and staff may receive therefor their actual necessary expenses, and such per diem as may be authorized by law, subject to all applicable budget controls and limitations, to be paid upon receipt of their vouchers out of funds appropriated for legislative expenses; and

BE IT FURTHER RESOLVED, That the Secretary of the Senate and the Senate Facilities and Operations Committee be, and they hereby are, authorized to retain such employees as they may deem necessary and that said employees be allowed such rate of pay therefor, subject to all applicable budget controls and limitations, as the Secretary of the Senate and the Senate Facilities and Operations Committee shall deem proper; and

BE IT FURTHER RESOLVED, That the Secretary of the Senate be, and he or she hereby is, authorized and directed to make out and execute the necessary vouchers upon which warrants for legislative expenses and expenditures shall be drawn from funds provided therefor; and

BE IT FURTHER RESOLVED, That the Secretary of the Senate and the Facilities and Operations Committee be, and they

hereby are, authorized to approve written requests by standing committees to meet during the interim period; and

BE IT FURTHER RESOLVED, That the Secretary of the Senate be, and hereby is, authorized and directed to have printed a copy of the Senate Journals of the 2009 Regular Session of the Sixty-first Legislature; and

BE IT FURTHER RESOLVED, That the Rules Committee is authorized to assign subject matters to standing committees for study during the interim, and the Majority Leader is authorized to create special committees as may be necessary to carry out the functions of the Senate in an orderly manner and appoint members thereto with the approval of the Facilities and Operations Committee; and

BE IT FURTHER RESOLVED, That the Secretary of the Senate is authorized to express the sympathy of the Senate by sending flowers or memorials in the event of a bereavement in the legislative "family"; and

BE IT FURTHER RESOLVED, That such use of the Senate facilities is permitted upon such terms as the Secretary of the Senate shall deem proper.

The President declared the question before the Senate to be the adoption of Senate Resolution No. 8666.

The motion by Senator Murray carried and the resolution was adopted by voice vote.

The President appoints the following members to Joint Committee on Energy Supply and Conservation, Senators Delvin, Morton, Ranker and Rockefeller.

MOTION

On motion of Senator Eide, the appointees were confirmed.

The President reappoints the following members to the Legislative Committee on Economic Development and International Relations, Senators Delvin, Eide, Hewitt, Kastama, Kilmer, Pflug and Shin.

MOTION

On motion of Senator Eide, the re-appointees were confirmed.

MOTION

On motion of Senator Eide and without objection, the measures on the second and third reading calendars were returned to the Committee on Rules.

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House has passed the following bills: SUBSTITUTE SENATE BILL NO. 6137, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

The President signed: ENGROSSED SENATE BILL NO. 5013, ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5809. SUBSTITUTE SENATE BILL NO. 5963, ENGROSSED SENATE BILL NO. 5995, SENATE BILL NO. 6096, ENGROSSED SENATE BILL NO. 6137,

2009 REGULAR SESSION

ONE-HUNDRED FIFTH DAY, APRIL 26, 2009 SUBSTITUTE SENATE BILL NO. 6171,

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2009 REGULAR SESSION

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The Speaker has signed the following: ENGROSSED SENATE BILL NO. 5013, ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5809. SUBSTITUTE SENATE BILL NO. 5963, ENGROSSED SENATE BILL NO. 5995, SENATE BILL NO. 6096, ENGROSSED SENATE BILL NO. 6137, SUBSTITUTE SENATE BILL NO. 6171, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The Speaker has signed the following: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1272, ENGROSSED HOUSE BILL NO. 2122, ENGROSSED HOUSE BILL NO. 2357 SUBSTITUTE HOUSE BILL NO. 2361, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

The President signed: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1272, ENGROSSED HOUSE BILL NO. 2122, ENGROSSED HOUSE BILL NO. 2357, SUBSTITUTE HOUSE BILL NO. 2361,

SIGNED BY THE PRESIDENT

The President signed: SECOND SUBSTITUTE SENATE BILL NO. 5433, ENGROSSED SUBSTITUTE SENATE BILL NO. 6170,

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The Speaker has signed the following: SECOND SUBSTITUTE SENATE BILL NO. 5433, SUBSTITUTE SENATE BILL NO. 6122, ENGROSSED SUBSTITUTE SENATE BILL NO. 6170, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House concurred in Senate amendment to the following bills and passed the bills as amended by the Senate: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1216, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The Speaker has signed the following: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1216, SUBSTITUTE HOUSE BILL NO. 2363, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

The President signed: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1216, SUBSTITUTE HOUSE BILL NO. 2363,

MOTION

On motion of Senator Eide, the reading of the Journal for the 105th day of the 2009 session of the 61st Legislature was dispensed with and it was approved.

PERSONAL PRIVILEGE

Senator Hewitt: "Thank you Mr. President. You have been here for one-hundred five days sir, you deal with forty-nine very challenging and different personalities and we want to thank you for your most professional and very responsive responses to us and you're a true gentleman sir so we thank you very much.'

REMARKS BY THE PRESIDENT

President Owen: "The President would like to inform our friends, staff, families that are in the wings that this is the one time during the legislative session that we not only allow but we welcome you to join us on the floor of the Senate. Please feel free to come forward. For those who are new to this we will be Sine Die simultaneously with the House of Representatives. Please do not block the aisle so the President can see the Rostrum of the House."

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House has adopted: SENATE CONCURRENT RESOLUTION NO. 8407, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT: The House has adopted: SENATE CONCURRENT RESOLUTION NO. 8408,

JOURNAL OF THE SENATE

ONE-HUNDRED FIFTH DAY, APRIL 26, 2009 and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

The President signed:

SENATE CONCURRENT RESOLUTION NO. 8407, SENATE CONCURRENT RESOLUTION NO. 8408,

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

The Speaker has signed the following: SENATE CONCURRENT RESOLUTION NO. 8407, SENATE CONCURRENT RESOLUTION NO. 8408, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

MR. PRESIDENT:

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8407, the following Senate bills were returned to the Senate: SUBSTITUTE SENATE BILL NO. 5301, SENATE BILL NO. 5316, SUBSTITUTE SENATE BILL NO. 5317, SENATE BILL NO. 5320, SENATE BILL NO. 5370, SENATE BILL NO. 5374 ENGROSSED SUBSTITUTE SENATE BILL NO. 5403, ENGROSSED SUBSTITUTE SENATE BILL NO. 5406, SENATE BILL NO. 5412, ENGROSSED SUBSTITUTE SENATE BILL NO. 5485, SECOND SUBSTITUTE SENATE BILL NO. 5491, ENGROSSED SENATE BILL NO. 5519, ENGROSSED SUBSTITUTE SENATE BILL NO. 5529, ENGROSSED SUBSTITUTE SENATE BILL NO. 5555, ENGROSSED SUBSTITUTE SENATE BILL NO. 5557, SUBSTITUTE SENATE BILL NO. 5638, SUBSTITUTE SENATE BILL NO. 5659, SENATE BILL NO. 5661, SUBSTITUTE SENATE BILL NO. 5704, SUBSTITUTE SENATE BILL NO. 5727, ENGROSSED SUBSTITUTE SENATE BILL NO. 5763, SUBSTITUTE SENATE BILL NO. 5802. ENGROSSED SUBSTITUTE SENATE BILL NO. 5807, SUBSTITUTE SENATE BILL NO. 5899, ENGROSSED SECOND SUBSTITUTÉ SENATE BILL NO. 5916 ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5941 ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5943. ENGROSSED SUBSTITUTE SENATE BILL NO. 6032. ENGROSSED SUBSTITUTE SENATE BILL NO. 6035, ENGROSSED SENATE BILL NO. 6048, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009 MR. PRESIDENT: Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8407, the following Senate bills were returned to the Senate: SUBSTITUTE SENATE BILL NO. 5026, SENATE BILL NO. 5031, ENGROSSED SUBSTITUTE SENATE BILL NO. 5032, SUBSTITUTE SENATE BILL NO. 5061, SUBSTITUTE SENATE BILL NO. 5115, SENATE BILL NO. 5127, SUBSTITUTE SENATE BILL NO. 5141, SUBSTITUTE SENATE BILL NO. 5179, SENATE BILL NO. 5193, SENATE BILL NO. 5205, SENATE BILL NO. 5211, SUBSTITUTE SENATE BILL NO. 5212, ENGROSSED SUBSTITUTE SENATE BILL NO. 5225, SUBSTITUTE SENATE BILL NO. 5332, SENATE BILL NO. 5378, SUBSTITUTE SENATE BILL NO. 5383, ENGROSSED SUBSTITUTE SENATE BILL NO. 5400, SUBSTITUTE SENATE BILL NO. 5424, ENGROSSED SUBSTITUTE SENATE BILL NO. 5449, SUBSTITUTE SENATE BILL NO. 5451, SECOND SUBSTITUTE SENATE BILL NO. 5484, SENATE BILL NO. 5498, SENATE BILL NO. 5500, ENGROSSED SUBSTITÚTE SENATE BILL NO. 5502, SENATE BILL NO. 5507 SUBSTITUTE SENATE BILL NO. 5553, SUBSTITUTE SENATE BILL NO. 5678, ENGROSSED SUBSTITUTE SENATE BILL NO. 5682, SECOND SUBSTITUTE SENATE BILL NO. 5691, SUBSTITUTE SENATE BILL NO. 5698, SUBSTITUTE SENATE BILL NO. 5708, ENGROSSED SENATE BILL NO. 5714, ENGROSSED SUBSTITUTE SENATE BILL NO. 5716, SENATE BILL NO. 5717. ENGROSSED SUBSTITUTE SENATE BILL NO. 5742, SENATE BILL NO. 5751, SUBSTITUTE SENATE BILL NO. 5779, SUBSTITUTE SENATE BILL NO. 5780, ENGROSSED SUBSTITUTE SENATE BILL NO. 5800, SUBSTITUTE SENATE BILL NO. 5826. ENGROSSED SUBSTITUTE SENATE BILL NO. 5828, SUBSTITUTE SENATE BILL NO. 5833, SUBSTITUTE SENATE BILL NO. 5879 ENGROSSED SUBSTITUTE SENATE BILL NO. 5880, ENGROSSED SENATE BILL NO. 5886, ENGROSSED SUBSTITUTE SENATE BILL NO. 5890. SUBSTITUTE SENATE BILL NO. 5893 ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5895, SENATE BILL NO. 5940, SENATE BILL NO. 5951, SUBSTITUTE SENATE BILL NO. 5957, SENATE BILL NO. 5986, ENGROSSED SUBSTITUTE SENATE BILL NO. 6037, SUBSTITUTE SENATE BILL NO. 6052, SENATE BILL NO. 6053, SENATE BILL NO. 6103, SENATE JOINT RESOLÚTION NO. 8209,

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

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ONE-HUNDRED FIFTH DAY, APRIL 26, 2009 April 26, 2009 MR. PRESIDENT: Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8407, the following Senate bills were returned to the Senate: SENATE BILL NO. 5002 SUBSTITUTE SENATE BILL NO. 5005, SUBSTITUTE SENATE BILL NO. 5007 ENGROSSED SENATE BILL NO. 5014, SUBSTITUTE SENATE BILL NO. 5048, SENATE BILL NO. 5074, SENATE BILL NO. 5076, ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5138 SUBSTITUTE SENATE BILL NO. 5152, SENATE BILL NO. 5218, SUBSTITUTE SENATE BILL NO. 5219, SUBSTITUTE SENATE BILL NO. 5269, SUBSTITUTE SENATE BILL NO. 5295, and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

MR. PRESIDENT:

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8407, the following Senate bills were returned to the Senate:

SUBSTITUTE SENATE BILL NO. 5232, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

April 26, 2009

April 26, 2009

MR. PRESIDENT:

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8407, the following Senate bills were returned to the Senate: ENGROSSED SENATE BILL NO. 5200, SENATE BILL NO. 5453, ENGROSSED SENATE BILL NO. 5617, SENATE BILL NO. 5760, ENGROSSED SUBSTITUTE SENATE BILL NO. 5840, SENATE BILL NO. 6065, SUBSTITUTE SENATE BILL NO. 6138, SUBSTITUTE SENATE BILL NO. 6160,

ENGROSSED SENATE BILL NO. 6183, and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Under the provisions of the SENATE CONCURRENT RESOLUTION NO. 8407, the following House Bills were returned to the House of Representatives: SUBSTITUTE HOUSE BILL NO. 1001, SUBSTITUTE HOUSE BILL NO. 1008,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1009

HOUSE BILL NO. 1016, HOUSE BILL NO. 1028, HOUSE BILL NO. 1037,

2009 REGULAR SESSION SUBSTITUTE HOUSE BILL NO. 1060, HOUSE BILL NO. 1075 SUBSTITUTE HOUSE BILL NO. 1079, HOUSE BILL NO. 1080. SUBSTITUTE HOUSE BILL NO. 1085, HOUSE BILL NO. 1088, HOUSE BILL NO. 1089, SECOND SUBSTITUTE HOUSE BILL NO. 1090, SECOND SUBSTITUTE HOUSE BILL NO. 1095, HOUSE BILL NO. 1101, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1114, HOUSE BILL NO. 1132, SUBSTITUTE HOUSE BILL NO. 1135, HOUSE BILL NO. 1139, SUBSTITUTE HOUSE BILL NO. 1140, SUBSTITUTE HOUSE BILL NO. 1140, SUBSTITUTE HOUSE BILL NO. 1152, HOUSE BILL NO. 1171, SECOND SUBSTITUTE HOUSE BILL NO. 1180, HOUSE BILL NO. 1204, HOUSE BILL NO. 1213, HOUSE BILL NO. 1212, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1234, SUBSTITUTE HOUSE BILL NO. 1250, ENGROSSED HOUSE BILL NO. 1251, SECOND SUBSTITUTE HOUSE BILL NO. 1252, HOUSE BILL NO. 1302, SUBSTITUTE HOUSE BILL NO. 1304, HOUSE BILL NO. 1310, HOUSE BILL NO. 1312 SUBSTITUTE HOUSE BILL NO. 1321, SUBSTITUTE HOUSE BILL NO. 1329, HOUSE BILL NO. 1331, SUBSTITUTE HOUSE BILL NO. 1357, SUBSTITUTE HOUSE BILL NO. 1369, SUBSTITUTE HOUSE BILL NO. 1371, HOUSE BILL NO. 1374, HOUSE BILL NO. 1389, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1393. SUBSTITUTE HOUSE BILL NO. 1408, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1409, SUBSTITUTE HOUSE BILL NO. 1418, SECOND SUBSTITUTE HOUSE BILL NO. 1429, HOUSE BILL NO. 1431, SECOND SUBSTITUTE HOUSE BILL NO. 1450, HOUSE BILL NO. 1456, SUBSTITUTE HOUSE BILL NO. 1457, ENGROSSED HOUSE BILL NO. 1460, HOUSE BILL NO. 1462, HOUSE BILL NO. 1463, HOUSE BILL NO. 1468, HOUSE BILL NO. 1483, HOUSE BILL NO. 1491, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1496, ENGROSSED HOUSE BILL NO. 1499. ENGROSSED SUBSTITUTE HOUSE BILL NO. 1514, HOUSE BILL NO. 1541, HOUSE BILL NO. 1544 ENGROSSED HOUSE BILL NO. 1547, SUBSTITUTE HOUSE BILL NO. 1554, HOUSE BILL NO. 1561, SUBSTITUTE HOUSE BILL NO. 1564, SUBSTITUTE HOUSE BILL NO. 1572, SUBSTITUTE HOUSE BILL NO. 1575, SUBSTITUTE HOUSE BILL NO. 1595, SUBSTITUTE HOUSE BILL NO. 1597,

MOTION

Under the provisions of the SENATE CONCURRENT RESOLUTION NO. 8407, the following House Bills were

2009 REGULAR SESSION

HOUSE BILL NO. 2360, SUBSTITUTE HOUSE JOINT MEMORIAL NO. 4004,

MOTION

At 12:57 a.m., on motion of Senator Eide, the 2009 Regular Session of the Sixtieth Legislature adjourned SINE DIE.

BRAD OWEN, President of the Senate

THOMAS HOEMANN, Secretary of the Senate

1618, SUBSTITUTE HOUSE BILL NO. 1647, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1669, ENGROSSED HOUSE BILL NO. 1679, SUBSTITUTE HOUSE BILL NO. 1683, HOUSE BILL NO. 1690, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1698. ENGROSSED SUBSTITUTE HOUSE BILL NO. 1703, HOUSE BILL NO. 1722 ENGROSSED HOUSE BILL NO. 1728, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1747 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1752, HOUSE BILL NO. 1753, HOUSE BILL NO. 1757, SUBSTITUTE HOUSE BILL NO. 1761, SECOND SUBSTITUTE HOUSE BILL NO. 1762, SUBSTITUTE HOUSE BILL NO. 1774, HOUSE BILL NO. 1785 SECOND SUBSTITUTÉ HOUSE BILL NO. 1797, SUBSTITUTE HOUSE BILL NO. 1802, HOUSE BILL NO. 1818, HOUSE BILL NO. 1822 HOUSE BILL NO. 1830, SUBSTITUTE HOUSE BILL NO. 1831, ENGROSSED HOUSE BILL NO. 1836, SUBSTITUTE HOUSE BILL NO. 1838, SUBSTITUTE HOUSE BILL NO. 1841, SUBSTITUTE HOUSE BILL NO. 1864, ENGROSSED HOUSE BILL NO. 1876, HOUSE BILL NO. 1880, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1883, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1886, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1887, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1889, SUBSTITUTE HOUSE BILL NO. 1898, SUBSTITUTE HOUSE BILL NO. 1900, HOUSE BILL NO. 1912, SUBSTITUTE HOUSE BILL NO. 1914, SUBSTITUTE HOUSE BILL NO. 1952, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1956, ENGROSSED HOUSE BILL NO. 1965, SUBSTITUTE HOUSE BILL NO. 1981, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1996, SUBSTITUTE HOUSE BILL NO. 2010, ENGROSSED HOUSE BILL NO. 2044, SUBSTITUTE HOUSE BILL NO. 2068, SECOND SUBSTITUTE HOUSE BILL NO. 2113, SECOND SUBSTITUTE HOUSE BILL NO. 2114, HOUSE BILL NO. 2117 ENGROSSED HOUSE BILL NO. 2138, HOUSE BILL NO. 2142. SUBSTITUTE HOUSE BILL NO. 2147, HOUSE BILL NO. 2164 SECOND SUBSTITUTE HOUSE BILL NO. 2167, HOUSE BILL NO. 2185, SUBSTITUTE HOUSE BILL NO. 2196, SUBSTITUTE HOUSE BILL NO. 2198, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2252, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2267, HOUSE BILL NO. 2271, SUBSTITUTE HOUSE BILL NO. 2275, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2278, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2295. ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2318, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2338,

ONE-HUNDRED FIFTH DAY, APRIL 26, 2009

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1614, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.

returned to the House of Representatives:

