

**FIFTY EIGHTH DAY**

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MORNING SESSION

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Senate Chamber, Olympia, Tuesday, March 11, 2014

The Senate was called to order at 10:00 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 Frockt, Nelson and Ranker.

The Sergeant at Arms Color Guard consisting of Pages Noah Montes and Madison Fields, presented the Colors. Pastor Erik Wilson Weiberg of Ballard First Lutheran Church Seattle offered the prayer.

MOTION

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

MOTION

On motion of Senator Angel, the Senate advanced to the first order of business.

REPORTS OF STANDING COMMITTEES

March 10, 2014

SB 5875 Prime Sponsor, Senator Hill: Relating to human services. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5875 be substituted therefor, and the substitute bill do pass. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Baumgartner, Vice Chair; Bailey; Becker; Braun; Dammeier; Hargrove, Ranking Member; Hatfield; Padden; Parlette; Rivers and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Keiser, Assistant Ranking Member on the Capital Budget; Billig; Conway; Fraser; Hasegawa and Kohl-Welles.

Passed to Committee on Rules for second reading.

March 10, 2014

SB 5881 Prime Sponsor, Senator Hill: Relating to revenue. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5881 be substituted therefor, and the substitute bill do pass. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Baumgartner, Vice Chair; Bailey; Becker; Braun; Dammeier; Hewitt; Padden; Parlette; Rivers and Schoesler.

MINORITY recommendation: Do not pass. Signed by Senators Ranker, Assistant Ranking Member on the Operating Budget; Conway; Hargrove, Ranking Member; Hasegawa and Kohl-Welles.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Keiser, Assistant Ranking Member on the Capital Budget; Billig and Frockt.

Passed to Committee on Rules for second reading.

March 10, 2014

SB 6483 Prime Sponsor, Senator Keiser: Creating a competitive grant program to provide additional classroom space to support all-day kindergarten. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 6483 be substituted therefor, and the substitute bill do pass. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey; Becker; Billig; Braun; Conway; Dammeier; Fraser; Frockt; Hargrove, Ranking Member; Hasegawa; Hatfield; Hewitt; Kohl-Welles; Parlette; Rivers and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Padden.

Passed to Committee on Rules for second reading.

March 10, 2014

SB 6545 Prime Sponsor, Senator Braun: Extending specific aerospace tax preferences to include other types of commercial aircraft to encourage the migration of good wage jobs in the state. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 6545 be substituted therefor, and the substitute bill do pass. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Baumgartner, Vice Chair; Bailey; Becker; Billig; Braun; Conway; Dammeier; Hatfield; Hewitt; Kohl-Welles; Padden; Parlette and Schoesler.

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

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Frockt and Hargrove, Ranking Member.

Passed to Committee on Rules for second reading.

March 10, 2014

SB 6567 Prime Sponsor, Senator Tom: Adjusting the oil spill response tax and oil spill administration tax. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 6567 be substituted therefor, and the substitute bill do pass. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Ranker, Assistant Ranking Member on the Operating Budget; Baumgartner, Vice Chair; Bailey; Becker; Braun; Dammeier; Hargrove, Ranking Member; Hewitt; Parlette; Rivers and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Padden.

Passed to Committee on Rules for second reading.

March 10, 2014

E2SHB 2572 Prime Sponsor, Committee on Appropriations: Concerning the effectiveness of health care purchasing and transforming the health care delivery system. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey; Becker; Billig; Braun; Conway; Dammeier; Fraser; Frockt; Hargrove, Ranking Member; Hasegawa; Hatfield; Hewitt; Kohl-Welles and Rivers.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Padden; Parlette and Schoesler.

Passed to Committee on Rules for second reading.

March 10, 2014

HB 2798 Prime Sponsor, Representative Hunter: Concerning payments made by the health care authority to managed health care systems. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Baumgartner, Vice Chair; Bailey; Becker; Billig; Braun; Conway; Dammeier; Fraser; Frockt; Hargrove, Ranking Member; Hasegawa; Hatfield; Hewitt; Kohl-Welles; Padden; Parlette; Rivers and Schoesler.

Passed to Committee on Rules for second reading.

#### REPORTS OF STANDING COMMITTEES GUBERNATORIAL APPOINTMENTS

March 10, 2014

SGA 9284 CAROL A LIEN, appointed on July 8, 2013, for the term ending March 1, 2019, as Member of the Board of Tax Appeals. Reported by Committee on Ways & Means

MAJORITY recommendation: That said appointment be confirmed. Signed by Senators Hill, Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Baumgartner, Vice Chair; Bailey; Becker; Billig; Braun; Conway; Dammeier; Fraser; Hargrove, Ranking Member; Hasegawa; Hatfield; Kohl-Welles and Parlette.

MINORITY recommendation: That it be not confirmed. Signed by Senators Hewitt; Padden; Rivers and Schoesler.

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Honeyford, Capital Budget Chair.

Passed to Committee on Rules for second reading.

March 10, 2014

SGA 9293 MARK J MAXWELL, appointed on March 20, 2013, for the term ending February 28, 2015, as Member of the Board of Tax Appeals. Reported by Committee on Ways & Means

MAJORITY recommendation: That said appointment be confirmed. Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Baumgartner, Vice Chair; Bailey; Becker; Billig; Braun; Conway; Dammeier; Fraser; Hargrove, Ranking Member; Hasegawa; Hatfield; Hewitt; Kohl-Welles; Padden; Parlette; Rivers and Schoesler.

Passed to Committee on Rules for second reading.

#### MOTION

On motion of Senator Fain, all measures listed on the Standing Committee report were referred to the committees as designated.

#### MOTION

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

#### MESSAGE FROM THE HOUSE

March 10, 2014

MR. PRESIDENT:

The House receded from its amendment to SENATE BILL NO. 5141 and passed the bill without the House amendment. and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MESSAGE FROM THE HOUSE

March 10, 2014

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1129,

SECOND SUBSTITUTE HOUSE BILL NO. 1709,  
SECOND SUBSTITUTE HOUSE BILL NO. 2163,  
SECOND SUBSTITUTE HOUSE BILL NO. 2251,  
SECOND SUBSTITUTE HOUSE BILL NO. 2457,  
SUBSTITUTE HOUSE BILL NO. 2724,

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MESSAGE FROM THE HOUSE

March 10, 2014

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

SUBSTITUTE HOUSE BILL NO. 1292,  
SUBSTITUTE HOUSE BILL NO. 2102,  
HOUSE BILL NO. 2130,  
SUBSTITUTE HOUSE BILL NO. 2146,

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ENGROSSED SUBSTITUTE HOUSE BILL NO. 2164,  
HOUSE BILL NO. 2276,  
HOUSE BILL NO. 2296,  
SUBSTITUTE HOUSE BILL NO. 2363,  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

March 10, 2014

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

SUBSTITUTE HOUSE BILL NO. 1791,  
ENGROSSED HOUSE BILL NO. 2108,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2111,  
HOUSE BILL NO. 2253,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2315,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2463,  
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2569,

SUBSTITUTE HOUSE BILL NO. 2612,  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Fain, Senate Rule 20 was suspended for the remainder of the day to allow consideration of additional floor resolutions.

EDITOR'S NOTE: Senate Rule 20 limits consideration of floor resolutions not essential to the operation of the Senate to one per day during regular daily sessions.

MOTION

On motion of Senator Fain, the Senate advanced to the eighth order of business.

MOTION

Senator Tom moved adoption of the following resolution:

SENATE RESOLUTION  
8706

By Senators Tom, Parlette, Bailey, Angel, Benton, Darneille, Chase, Sheldon, Dammeier, Ericksen, Rolfes, Conway, Eide, and Brown

WHEREAS, The Olympic Games regularly offer athletes an unparalleled opportunity to display their skills and sportsmanship; and

WHEREAS, Washington was represented in the 2014 Winter Olympic Games in Sochi, Russia, by more than a dozen participants with strong ties to the Evergreen State; and

WHEREAS, J.R. Celski, raised in Federal Way, won a silver medal in the men's 5,000-meter speedskating relay to go with two bronze medals from the 2010 Winter Olympics in Vancouver, Canada; and

WHEREAS, T.J. Oshie, who was born in Mount Vernon and spent most of his childhood in Snohomish County, led the U.S.

men's ice hockey team to a dramatic 3-2 victory over host nation Russia by scoring on 4 of 6 attempts in an overtime shootout, including the goal that ended what was called the "Marathon on Ice"; and

WHEREAS, Ashley Wagner, whose regular visits to her grandparents' home in Seabeck led her to consider it as her home too, captured a bronze medal in the women's team figure skating competition; and

WHEREAS, Patrick Deneen of Cle Elum, a World Cup medalist in freestyle skiing, placed sixth in his sport at Sochi, significantly bettering his mark in the same event at the 2010 games; and

WHEREAS, Torin Koos, who grew up in Leavenworth and remains affiliated with the Leavenworth Winter Sports Club, appeared in his fourth Winter Olympics as a cross-country skiing sprinter and wrote that if he is not skiing he would like to broker Washington state pears to markets worldwide; and

WHEREAS, Erik Bjornsen of Winthrop, a four-time U.S. national medalist, competed in four cross-country skiing events during his first Olympics, his top finish being sixth place in the men's team sprint classic; and

WHEREAS, Sadie Bjornsen, also raised in Winthrop and a World Cup medalist in cross-country skiing, competed in three events during her first Olympics and helped the women's cross-country relay team achieve its best-ever Olympic finish; and

WHEREAS, Brian Gregg, born in Winthrop, also competed for the U.S. as a cross-country skier in the men's 30-kilometer skiathlon, the men's 15-kilometer classic, and the men's 50-kilometer freestyle; and

WHEREAS, Holly Brooks, who grew up in Seattle and is a World Cup medalist and U.S. champion in cross-country skiing, competed in her second consecutive Winter Olympics, this time in three events including the women's 30-kilometer mass start; and

WHEREAS, Christian Niccum of Woodinville, a two-time U.S. champion in doubles luge, was the oldest member of the U.S. Olympics luge team, competing in his third consecutive Winter Olympics, finishing 11th in men's doubles luge, and helping the American luge team place sixth in the team relay; and

WHEREAS, Angeli VanLaanen, who was born and raised in Bellingham, and who won a World Cup gold medal in freestyle skiing in 2009 before having her career interrupted for three years by Lyme disease, which is now in remission, placed 11th in the halfpipe competition; and

WHEREAS, Vic Wild, who was born in White Salmon and also has ties to Yakima, collected two gold medals in Alpine snowboarding for Russia, which became his home country after he married a champion Russian snowboarder; and

WHEREAS, Roberto Carcelen, a Seattle business owner who in 2010 became the first Peruvian to compete in the Winter Olympics, again represented Peru in cross-country skiing and finished the 15-kilometer classic, despite having broken a rib while training;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State Senate recognize each of these dedicated athletes for their perseverance and performances at the 2014 Olympic Winter Games.

Senators Tom, Eide, Holmquist Newbry, Parlette, Liias and Roach spoke in favor of adoption of the resolution.

The President declared the question before the Senate to be the adoption of Senate Resolution No. 8706.

The motion by Senator Tom carried and the resolution was adopted by voice vote.

INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced Mr. Patrick Deneen, freestyle skier, of Cle Elum who was seated at the rostrum and recognized by the Senate. The President welcomed and introduced Mr. Deneen's parents, Mr. & Mrs. Pat and Nancy and sister, Ms. Desiree Deneen, who were present in the gallery.

#### MOTION

Senator Schoesler moved adoption of the following resolution:

#### SENATE RESOLUTION 8718

By Senator Schoesler

WHEREAS, On November 30, 2012, the Lind-Ritzville-Sprague Broncos posted a 13-0 season record and won the WIAA 2B football championship with a 21-19 victory over Morton-White Pass; and

WHEREAS, On December 7, 2013, the Broncos capped their second consecutive 13-0 campaign and repeated as WIAA 2B football champions by again defeating Morton-White Pass, this time by a 7-0 score; and

WHEREAS, The Red and Black from LRS were accomplished on both sides of the line of scrimmage, averaging 45 points per game during their 26-game winning streak and holding their three earlier opponents in the 2013 state tournament to a total of 27 points; and

WHEREAS, The Broncos were one of three high school football teams from the 9th Legislative District to win state titles in 2013, joined by the Freeman High School Scotties in Class 1A and the Chiawana High School Riverhawks in Class 4A; and

WHEREAS, This makes the third championship in 10 years for the Broncos and the second for LRS head coach Greg Whitmore, joined by assistant coaches Jason Aldrich, Jason Hilzer, John McGregor, and Mike Lynch; and

WHEREAS, The players who kept the championship trophy in Adams County were Tyler O'Brien, Nick Fleming, Jacob Saetre, Peyton Kiel, Dylan Hartz, Bridger Smith, Matt Leffel, Connor O'Neill, Ryan Whitmore, Patrick Bartz, Kyle Gimmaka, Josh Yow, Damien Rouleau, Andrew Witt, Dane Wahl, Hugh Hennings, Nick Kuest, Dallas Killian, Tyler Frederick, Ryan Frederick, Skyler Oestreich, Colin Sheffels, Karl Hawks, Alexis Guizar, Grayson Whitaker, Nicholas Quintana, Layne Hawks, Jarradd Morley, Dustin Norton, Matt Vercoe, Roberto Valdovinos, Cort Ruzicka, Logan Morley, Hoang Vu, and Alan Field;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State Senate congratulate the entire Lind-Ritzville-Sprague High School football program for its back-to-back championships; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Secretary of the Senate to Lind-Ritzville-Sprague High School and to head football coach Greg Whitmore.

Senators Schoesler and Dansel spoke in favor of adoption of the resolution.

#### POINT OF INQUIRY

Senator Dansel: "Would Senator Schoesler yield to a question? So, I just have to ask, I've known Mike Lynch a very long time. Did Lind-Ritzville-Sprague get the academic award after Mike Lynch was done teaching there?"

Senator Schoesler: "That is a fact."

The President declared the question before the Senate to be the adoption of Senate Resolution No. 8718.

The motion by Senator Schoesler carried and the resolution was adopted by voice vote.

#### INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced members of the Lind-Ritzville-Sprague High School Football: Tyler Frederick; Dylan Hartz; Conner O'Neill; Bridger Smith and Ryan Whitmore, led by Head Coach Greg Whitmore and his wife, Mrs. Karen Whitmore, who were present in the gallery and recognized by the Senate.

#### MOTION

On motion of Senator Fain, the Senate reverted to the seventh order of business.

#### THIRD READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

#### MOTION

Senator Padden moved that James McDevitt, Gubernatorial Appointment No. 9140, be confirmed as a member of the Clemency and Pardons Board.

Senator Padden spoke in favor of the motion.

#### MOTION

On motion of Senator Cleveland, Senators Frockt, Nelson and Ranker were excused.

#### APPOINTMENT OF JAMES MCDEVITT

The President declared the question before the Senate to be the confirmation of James McDevitt, Gubernatorial Appointment No. 9140, as a member of the Clemency and Pardons Board.

The Secretary called the roll on the confirmation of James McDevitt, Gubernatorial Appointment No. 9140, as a member of the Clemency and Pardons Board and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist, Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senators Frockt, Nelson and Ranker

James McDevitt, Gubernatorial Appointment No. 9140, having received the constitutional majority was declared confirmed as a member of the Clemency and Pardons Board.

#### THIRD READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

#### MOTION

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Senator Baumgartner moved that Michael D Wilson, Gubernatorial Appointment No. 9334, be confirmed as a member of the Board of Trustees, Spokane and Spokane Falls Community Colleges District No. 17.

Senator Baumgartner spoke in favor of the motion.

APPOINTMENT OF MICHAEL D WILSON

The President declared the question before the Senate to be the confirmation of Michael D Wilson, Gubernatorial Appointment No. 9334, as a member of the Board of Trustees, Spokane and Spokane Falls Community Colleges District No. 17.

The Secretary called the roll on the confirmation of Michael D Wilson, Gubernatorial Appointment No. 9334, as a member of the Board of Trustees, Spokane and Spokane Falls Community Colleges District No. 17 and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senators Frockt, Nelson and Ranker

Michael D Wilson, Gubernatorial Appointment No. 9334, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, Spokane and Spokane Falls Community Colleges District No. 17.

THIRD READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Hatfield moved that George Raiter, Gubernatorial Appointment No. 9307, be confirmed as a member of the Board of Trustees, Lower Columbia Community College District No. 13.

Senator Hatfield spoke in favor of the motion.

APPOINTMENT OF GEORGE RAITER

The President declared the question before the Senate to be the confirmation of George Raiter, Gubernatorial Appointment No. 9307, as a member of the Board of Trustees, Lower Columbia Community College District No. 13.

The Secretary called the roll on the confirmation of George Raiter, Gubernatorial Appointment No. 9307, as a member of the Board of Trustees, Lower Columbia Community College District No. 13 and the appointment was confirmed by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senators Nelson and Ranker

George Raiter, Gubernatorial Appointment No. 9307, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, Lower Columbia Community College District No. 13.

THIRD READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Keiser moved that Fiasili L Savusa, Gubernatorial Appointment No. 9317, be confirmed as a member of the Board of Trustees, Highline Community College District No. 9.

Senator Keiser spoke in favor of the motion.

APPOINTMENT OF FIASILI L SAVUSA

The President declared the question before the Senate to be the confirmation of Fiasili L Savusa, Gubernatorial Appointment No. 9317, as a member of the Board of Trustees, Highline Community College District No. 9.

The Secretary called the roll on the confirmation of Fiasili L Savusa, Gubernatorial Appointment No. 9317, as a member of the Board of Trustees, Highline Community College District No. 9 and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senator Ranker

Fiasili L Savusa, Gubernatorial Appointment No. 9317, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, Highline Community College District No. 9.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

SUBSTITUTE SENATE BILL NO. 5123.

MOTION

On motion of Senator Billig, Senator Nelson was excused.

THIRD READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Padden moved that Daniel T Satterberg, Gubernatorial Appointment No. 9316, be confirmed as a member of the Sentencing Guidelines Commission.

Senators Padden, Kline, Kohl-Welles and Roach spoke in favor of passage of the motion.

APPOINTMENT OF DANIEL T SATTERBERG

The President declared the question before the Senate to be the confirmation of Daniel T Satterberg, Gubernatorial Appointment No. 9316, as a member of the Sentencing Guidelines Commission.

The Secretary called the roll on the confirmation of Daniel T Satterberg, Gubernatorial Appointment No. 9316, as a member of the Sentencing Guidelines Commission and the appointment was confirmed by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Daniel T Satterberg, Gubernatorial Appointment No. 9316, having received the constitutional majority was declared confirmed as a member of the Sentencing Guidelines Commission.

#### MOTION

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

#### MESSAGE FROM THE HOUSE

March 6, 2014

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5467 with the following amendment(s): 5467-S AMH CLIB H4460.3

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 46.12.630 and 2013 c 306 s 702 are each amended to read as follows:

~~(In addition to any other authority which it may have,)~~ (1) The department of licensing ~~(may)~~ must furnish lists of registered and legal owners of motor vehicles only for the purposes specified in this ~~(section)~~ subsection to

~~(1)(a))~~ the manufacturers of motor vehicles or motor vehicle components, or their authorized agents, to ~~(be used;~~

~~(i) To~~) enable those manufacturers to carry out the provisions of ~~(the national traffic and motor vehicle safety act of 1966 (15 U.S.C. Sec. 1382-1418), including amendments or additions thereto, respecting safety related defects in motor vehicles; or~~

~~(ii) During the 2011-2013 fiscal biennium, in research activities, and in producing statistical reports, as long as the personal information is not published, redisclosed, or used to contact individuals; or~~

~~(b) During fiscal year 2014, an entity that is an authorized agent of a motor vehicle manufacturer,)~~ Titles I and IV of the anti car theft act of 1992, the automobile information disclosure act (15 U.S.C. Sec. 1231 et seq.), the clean air act (42 U.S.C. Sec. 7401 et seq.), and 49 U.S.C.S. Secs. 30101-30183, 30501-30505, and 32101-33118, as these acts existed on January 1, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section. However, the department may only provide a vehicle or vehicle component manufacturer, or its authorized agent, lists of registered or legal owners who purchased or leased a vehicle manufactured by that manufacturer or a vehicle containing a component manufactured by that component manufacturer. Manufacturers or authorized agents

receiving information on behalf of one manufacturer must not disclose this information to any other third party that is not necessary to carry out the purposes of this section.

(2) The department of licensing may furnish lists of registered and legal owners of motor vehicles, only to the entities and only for the purposes specified in this section, to:

(a) The manufacturers of motor vehicles, legitimate businesses as defined by the department in rule, or their authorized agents, for purposes of using lists of registered and legal owner information to conduct research activities and produce statistical reports, as long as the entity does not allow personal information received under this section to be published, redisclosed, or used to contact individuals. ~~((The department must charge an amount sufficient to cover the full cost of providing the data requested under this subsection (1)(b). Full cost of providing the data includes the information technology, administrative, and contract oversight costs))~~ For purposes of this subsection (2)(a), the department of licensing may only provide the manufacturer of a motor vehicle, or the manufacturer of components contained in a motor vehicle, the lists of registered or legal owners who purchased or leased a vehicle manufactured by that manufacturer or a vehicle containing components manufactured by that component manufacturer;

~~((2))~~ (b) Any governmental agency of the United States or Canada, or political subdivisions thereof, to be used by it or by its authorized commercial agents or contractors only in connection with the enforcement of motor vehicle or traffic laws by, or programs related to traffic safety of, that government agency. Only such parts of the list as are required for completion of the work required of the agent or contractor shall be provided to such agent or contractor;

~~((3))~~ (c) Any insurer or insurance support organization, a self-insured entity, or its agents, employees, or contractors for use in connection with claims investigation activities, antifraud activities, rating, or underwriting;

(d) Any local governmental entity or its agents for use in providing notice to owners of towed and impounded vehicles;

(e) A government agency, commercial parking company, or its agents requiring the names and addresses of registered owners to notify them of outstanding parking violations. Subject to the disclosure agreement provisions of RCW 46.12.635 and the requirements of Executive Order 97- 01, the department may provide only the parts of the list that are required for completion of the work required of the company;

~~((4))~~ (f) An authorized agent or contractor of the department, to be used only in connection with providing motor vehicle excise tax, licensing, title, and registration information to motor vehicle dealers;

~~((5))~~ (g) Any business regularly making loans to other persons to finance the purchase of motor vehicles, to be used to assist the person requesting the list to determine ownership of specific vehicles for the purpose of determining whether or not to provide such financing; or

~~((6))~~ (h) A company or its agents operating a toll facility under chapter 47.46 RCW or other applicable authority requiring the names, addresses, and vehicle information of motor vehicle registered owners to identify toll violators.

(3) Personal information received by an entity listed in subsection (1) or (2) of this section may not be released for direct marketing purposes.

(4) Prior to the release of any lists of vehicle owners under subsection (1) or (2) of this section, the department must enter into a contract with the entity authorized to receive the data. The contract must include:

(a) A requirement that the department or its agent conduct both regular permissible use and data security audits subject to the following conditions and limitations:

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(i) The data security audits must demonstrate compliance with the data security standards adopted by the office of the chief information officer.

(ii) When determining whether to conduct an audit under this subsection, the department must first take into consideration any independent third-party audit a data recipient has had before requiring that any additional audits be performed. If the independent third-party audit is a data security audit and it meets both recognized national or international standards and the standards adopted by the office of the chief information officer pursuant to (a)(i) of this subsection, the department must accept the audit and the audit is deemed to satisfy the conditions set out in this subsection (4)(a). If the independent third-party audit is a permissible use audit and it meets recognized national or international standards, the department must accept the audit and the audit is deemed to satisfy the conditions set out in this subsection (4)(a); and

(b) A provision that the cost of the audits performed pursuant to this subsection must be borne by the data recipient. A new data recipient must bear the initial cost to set up a system to disburse the data to the data recipient.

(5)(a) Beginning January 1, 2015, the department must collect a fee of ten dollars per one thousand individual registered or legal owners included on a list requested by a private entity under subsection (1) or (2) of this section. Beginning January 1, 2016, the department must collect a fee of twenty dollars per one thousand individual registered or legal vehicle owners included on a list requested by a private entity under subsection (1) or (2) of this section. Beginning January 1, 2021, the department must collect a fee of twenty-five dollars per one thousand individual registered or legal owners included on a list requested by a private entity under subsection (1) or (2) of this section. The department must prorate the fee when the request is for less than a full one thousand records.

(b) In lieu of the fee specified in (a) of this subsection, if the request requires a daily, weekly, monthly, or other regular update of those vehicle records that have changed:

(i) Beginning January 1, 2015, the department must collect a fee of one cent per individual registered or legal vehicle owner record provided to the private entity;

(ii) Beginning January 1, 2016, the department must collect a fee of two cents per individual registered or legal vehicle owner record provided to the private entity;

(iii) Beginning January 1, 2021, the department must collect a fee of two and one-half cents per individual registered or legal vehicle owner record provided to the private entity.

(c) The department must deposit any moneys collected under this subsection to the department of licensing technology improvement and data management account created in section 2 of this act.

(6) Where both a mailing address and residence address are recorded on the vehicle record and are different, only the mailing address will be disclosed. Both addresses will be disclosed in response to requests for disclosure from courts, law enforcement agencies, or government entities with enforcement, investigative, or taxing authority and only for use in the normal course of conducting their business.

(7) If a list of registered and legal owners of motor vehicles is used for any purpose other than that authorized in this section, the manufacturer, governmental agency, commercial parking company, ~~((authorized agent,))~~ contractor, financial institution, insurer, insurance support organization, self-insured entity, legitimate business entity, toll facility operator, or ~~((their))~~ any authorized agent~~((s))~~ or contractor~~((s))~~ responsible for the unauthorized disclosure or use will be denied further access to such information by the department of licensing.

(8) For purposes of this section, "personal information" means information that identifies an individual, including an individual's photograph, social security number, driver identification number, name, address (but not the five-digit zip code), telephone number, or medical or disability information. However, an individual's photograph, social security number, and any medical or disability-related information is considered highly restricted personal information and may not be released under this section.

NEW SECTION. Sec. 2. A new section is added to chapter 46.68 RCW to read as follows:

The department of licensing technology improvement and data management account is created in the highway safety fund. All receipts from fees collected under RCW 46.12.630(5) must be deposited into the account. Expenditures from the account may be used only for investments in technology and data management at the department. Moneys in the account may be spent only after appropriation."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator King moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5467.

Senator King spoke in favor of the motion.

MOTION

On motion of Senator Billig, Senators Hargrove, Nelson and Ranker were excused.

The President declared the question before the Senate to be the motion by Senator King that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5467.

The motion by Senator King carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5467 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5467, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5467, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 40; Nays, 6; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Darneille, Eide, Ericksen, Fain, Fraser, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, O'Ban, Parlette, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senators Dansel, Frockt, Hasegawa, Holmquist Newbry, Padden and Pearson

Excused: Senators Hargrove, Nelson and Ranker

SUBSTITUTE SENATE BILL NO. 5467, 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

March 5, 2014

MR. PRESIDENT:

The House passed SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5785 with the following amendment(s): 5785-S.E2 AMH HAWK H4463.2

On page 4, after line 10, insert the following:

"(d) License plate replacement is not required when a change in vehicle ownership is the result of one or more of the following circumstances:

(i) When adding a lien holder to the certificate of title or removing a lien holder from the certificate of title;

(ii) When a vehicle is transferred from one spouse or registered domestic partner to another;

(iii) When removing a deceased spouse or registered domestic partner from the certificate of title;

(iv) When a vehicle is transferred by gift or inheritance to one or more members of the registered owner's immediate family;

(v) When a vehicle is transferred into or out of a trust in which the registered owner or one or more immediate family members of the registered owner is the beneficiary;

(vi) When a leaseholder buys out the leased vehicle; or

(vii) When a person changes his or her name."

On page 5, line 26, after "transferred" insert ", except as provided in subsection (4) of this section"

On page 6, after line 7, insert the following:

"(4) A vehicle registration does not expire when a change in vehicle ownership is the result of one or more of the following circumstances:

(a) When adding a lien holder to the certificate of title or removing a lien holder from the certificate of title;

(b) When a vehicle is transferred from one spouse or registered domestic partner to another;

(c) When removing a deceased spouse or registered domestic partner from the certificate of title;

(d) When a vehicle is transferred by gift or inheritance to one or more members of the registered owner's immediate family;

(e) When a vehicle is transferred into or out of a trust in which the registered owner or one or more immediate family members of the registered owner is the beneficiary;

(f) When a leaseholder buys out the leased vehicle; or

(g) When a person changes his or her name."

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator King moved that the Senate concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5785.

Senators King and Eide spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator King that the Senate concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5785.

The motion by Senator King carried and the Senate concurred in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5785 by voice vote.

The President declared the question before the Senate to be the final passage of Second Engrossed Substitute Senate Bill No. 5785, as amended by the House.

The Secretary called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 5785, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 45; Nays, 1; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dandel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senator Holmquist Newbry

Excused: Senators Hargrove, Nelson and Ranker

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5785, 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

March 6, 2014

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 6511 with the following amendment(s): 6511-S.E AMH ENGR H4392.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 48.165 RCW to read as follows:

(1) The insurance commissioner must reauthorize the efforts with the lead organization established in RCW 48.165.030, and establish a new work group to develop recommendations for prior authorization requirements. The focus of the prior authorization efforts must include the full scope of health care services including pharmacy issues. The work group must submit recommendations to the commissioner by October 31, 2014.

(2) The lead organization and work group established to review prior authorization requirements must consider the following areas in their efforts:

(a) Requiring carriers and pharmacy benefit managers to provide a listing of prior authorization requirements electronically on a web site. The listing of requirements for any procedure, supply, or service requiring preauthorization must include criteria needed by the carrier specific to that medical or procedural code, to allow a provider's office to submit all information needed on the initial request for prior authorization, along with instructions for submitting that information;

(b) Requiring a carrier or pharmacy benefit manager to issue an acknowledgement of receipt or reference number for prior authorization within a specified time frame, such as two business days of receipt of a prior authorization request from a provider;

(c) Recommendations for the best practices for exchanging information, including alternatives to fax requests;

(d) Recommendations for the best practices if the acknowledgement has not been received by the provider or pharmacy benefit manager within the specified time frame, such as two business days;

(e) Recommendations if the carrier or pharmacy benefit manager fails to approve, deny, or respond to the request for authorization within the specified time frame and options for deeming approval;



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(f) Recommendations to refine the time frames in current rule; and

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(g) Recommendations specific to pharmacy services, including communication between the pharmacy to the carrier or pharmacy benefit manager, communications between the carrier or pharmacy benefit manager with the providers' office, communication of the authorization number, posting of the criteria for pharmacy related prior authorization on a web site and other recommended alternatives; and options for prior authorizations involving urgent and emergent care with short-term prescription fill, such as a three-day supply, while the authorization is obtained.

(3) In preparing the recommendations, the work group must consider the opportunities to align with national mandates and regulatory guidance in the health insurance portability and accountability act and the patient protection and affordable care act, and use information technologies and electronic health records to increase efficiencies in health care and reengineer and automate age-old practices to improve business functions and ensure timely access to care for patients.

(4) The commissioner shall adopt rules implementing the recommendations of the work group. The rules adopted under this subsection may only implement, and may not expand or limit, the recommendations of the work group."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Becker moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6511.

Senators Becker and Pedersen spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Becker that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6511.

The motion by Senator Becker carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 6511 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6511, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6511, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dinsel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

ENGROSSED SUBSTITUTE SENATE BILL NO. 6511, 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

MR. PRESIDENT:

The House passed ENGROSSED SENATE BILL NO. 6031 with the following amendment(s): 6031.E AMH FIN H4464.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 36.61.010 and 2008 c 301 s 1 are each amended to read as follows:

(1) The legislature finds that the environmental, recreational, and aesthetic values of many of the state's lakes are threatened by eutrophication and other deterioration and that existing governmental authorities are unable to adequately improve and maintain the quality of the state's lakes.

(2) The legislature intends that an ecosystem-based beach management approach should be used to help promote the health of aquatic ecosystems and that such a management approach be undertaken in a manner that retains ecosystem values within the state. This management approach should use long-term strategies that focus on reducing nutrient inputs from human activities affecting the aquatic ecosystem, such as decreasing nutrients into storm water sewers, decreasing fertilizer application, promoting the proper disposal of pet waste, promoting the use of vegetative borders, promoting the reduction of nutrients from on-site septic systems where appropriate, and protecting riparian areas. Organic debris, including vegetation, driftwood, seaweed, kelp, and organisms, are extremely important to beach ecosystems.

(3) The legislature further finds that it is in the public interest to promote the conservation and stewardship of shorelines and upland properties adjoining lakes and beaches in order to: (a) Conserve natural or scenic resources; (b) protect riparian habitats and water quality; (c) promote conservation of soils, wetlands, shorelines, or tidal marshes; (d) enhance the value of lakes or beaches to the public as well as the benefit of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries, or other open space; (e) enhance recreation opportunities; (f) preserve historic sites; and (g) protect visual quality along highway, road, street, trail, recreational, and other corridors or scenic vistas.

(4) It is the purpose of this chapter to establish a governmental mechanism by which property owners can embark on a program of lake or beach improvement and maintenance for their and the general public's benefit, health, and welfare. Public property, including state property, shall be considered the same as private property in this chapter, except liens for special assessments and liens for rates and charges shall not extend to public property. Lake bottom property and marine property below the line of the ordinary high water mark shall not be considered to be benefitted, shall not be subject to special assessments or rates and charges, and shall not receive voting rights under this chapter.

Sec. 2. RCW 36.61.020 and 2008 c 301 s 3 are each amended to read as follows:

(1) Any county may create lake or beach management districts to finance: (a) The improvement and maintenance of lakes or beaches located within or partially within the boundaries of the county; and (b) the acquisition of real property or property rights within or outside a lake or beach management district including, by way of example, conservation easements authorized under RCW 64.04.130, and to promote the conservation and stewardship of upland shorelines as well as the conservation and stewardship of upland properties adjoining lakes or beaches for conservation or for minimal development. All or a portion of a lake or beach and the adjacent land areas may be included within one or more lake or beach management districts. More than one lake or beach, or portions of lakes or beaches, and the adjacent land areas may be included in a single lake or beach management district.

(2) For the purposes of this chapter, the term "improvement" includes, among other things, the acquisition of real property and property rights within or outside a lake or beach management district for the purposes set forth in RCW 36.61.010 and this section.

(3) Special assessments or rates and charges may be imposed on the property included within a lake or beach management district to finance lake or beach improvement and maintenance activities, including: ~~((4))~~ (a) Controlling or removing aquatic plants and vegetation; ~~((2))~~ (b) improving water quality; ~~((3))~~ (c) controlling water levels; ~~((4))~~ (d) treating and diverting storm water; ~~((5))~~ (e) controlling agricultural waste; ~~((6))~~ (f) studying lake or marine water quality problems and solutions; ~~((7))~~ (g) cleaning and maintaining ditches and streams entering the lake or marine waters or leaving the lake; ~~((8))~~ (h) monitoring air quality; (i) the acquisition of real property and property rights; and ~~((9))~~ (j) the related administrative, engineering, legal, and operational costs, including the costs of creating the lake or beach management district.

(4) Special assessments or rates and charges may be imposed annually on all the land in a lake or beach management district for the duration of the lake or beach management district without a related issuance of lake or beach management district bonds or revenue bonds. Special assessments also may be imposed in the manner of special assessments in a local improvement district with each landowner being given the choice of paying the entire special assessment in one payment, or to paying installments, with lake or beach management district bonds being issued to obtain moneys not derived by the initial full payment of the special assessments, and the installments covering all of the costs related to issuing, selling, and redeeming the lake or beach management district bonds.

NEW SECTION. Sec. 3. A new section is added to chapter 36.61 RCW to read as follows:

A proposal to acquire real property or property rights within or outside of a lake or beach management district in accordance with RCW 36.61.020 is subject to the following limitations and requirements: (1) The real property or property rights proposed for acquisition must be in a county located west of the crest of the Cascade mountain range that plans under RCW 36.70A.040 and has a population of more than forty thousand and fewer than sixty-five thousand persons as of April 1, 2013, as determined by the office of financial management; and (2) prior to the acquisition of real property or property rights, the proposal must have the written approval of a majority of the property owners of the district, as determined by the tax rolls of the county assessor.

Sec. 4. RCW 36.61.070 and 2008 c 301 s 9 are each amended to read as follows:

(1) After the public hearing, the county legislative authority may adopt a resolution submitting the question of creating the lake or beach management district to the owners of land within the proposed lake or beach management district, including publicly owned land, if the county legislative authority finds that it is in the public interest to create the lake or beach management district and the financing of the lake or beach improvement and maintenance activities is feasible. The resolution shall also include: ~~((4))~~ (a) A plan describing the proposed lake or beach improvement and maintenance activities which avoid adverse impacts on fish and wildlife and provide for appropriate measures to protect and enhance fish and wildlife; ~~((2))~~ (b) the number of years the lake or beach management district will exist; ~~((3))~~ (c) the amount to be raised by special assessments or rates and charges; ~~((4))~~ (d) if special assessments are to be imposed, whether the special assessments shall be imposed annually for the duration of the lake or beach management district or only once with the possibility of installments being imposed and lake or beach management bonds being issued, or both, and, if both types of special assessments are proposed to be imposed, the lake or beach improvement or

maintenance activities proposed to be financed by each type of special assessment; ~~((5))~~ (e) if rates and charges are to be imposed, a description of the proposed rates and charges and the possibility of revenue bonds being issued that are payable from the rates and charges; and ~~((6))~~ (f) the estimated special assessment or rate and charge proposed to be imposed on each parcel included in the proposed lake or beach management district.

(2) No lake or beach management district may be created by a county that includes territory located in another county without the approval of the legislative authority of the other county.

Sec. 5. RCW 36.61.220 and 2008 c 301 s 21 are each amended to read as follows:

Within ~~((fifteen))~~ thirty days after a county creates a lake or beach management district, the county shall cause to be filed with the county treasurer, a description of the lake or beach improvement and maintenance activities proposed that the lake or beach management district finances, the lake or beach management district number, and a copy of the diagram or print showing the boundaries of the lake or beach management district and preliminary special assessment roll or abstract of the same showing thereon the lots, tracts, parcels of land, and other property that will be specially benefitted thereby and the estimated cost and expense of such lake or beach improvement and maintenance activities to be borne by each lot, tract, parcel of land, or other property. The treasurer shall immediately post the proposed special assessment roll upon his or her index of special assessments against the properties affected by the lake or beach improvement or maintenance activities.

Sec. 6. RCW 36.61.250 and 1985 c 398 s 25 are each amended to read as follows:

Except when lake or beach management district bonds are outstanding or when an existing contract might otherwise be impaired, the county legislative authority may stop the imposition of annual special assessments if, in its opinion, the public interest will be served by such action.

Sec. 7. RCW 36.61.260 and 2008 c 301 s 23 are each amended to read as follows:

(1) Counties may issue lake or beach management district revenue bonds in accordance with this section. Lake or beach management district bonds may be issued to obtain money sufficient to cover that portion of the special assessments that are not paid within the thirty- day period provided in RCW 36.61.190.

(2) Whenever lake or beach management district revenue bonds are proposed to be issued, the county legislative authority shall create a special fund or funds for the lake or beach management district from which all or a portion of the costs of the lake or beach improvement and maintenance activities shall be paid. Lake or beach management district bonds shall not be issued in excess of the costs and expenses of the lake or beach improvement and maintenance activities and shall not be issued prior to twenty days after the thirty days allowed for the payment of special assessments without interest or penalties.

(3) Lake or beach management district revenue bonds shall be exclusively payable from the special fund or funds and from a guaranty fund that the county may have created out of a portion of proceeds from the sale of the lake or beach management district bonds.

~~((2))~~ (4)(a) Lake or beach management district revenue bonds shall not constitute a general indebtedness of the county issuing the bond nor an obligation, general or special, of the state. The owner of any lake or beach management district revenue bond shall not have any claim for the payment thereof against the county that issues the bonds except for: (i) With respect to revenue bonds payable from special assessments, payment from the special assessments made for the lake or beach improvement or maintenance activities for which the lake or beach management district bond was issued and from the special fund or funds, and a

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lake or beach management district guaranty fund, that may have been created; and (ii) with respect to revenue bonds payable from rates and charges, payment from rates and charges deposited in the special fund or funds that the county may have created for that purpose. Revenue bonds may be payable from both special assessments and from rates and charges. The county shall not be liable to the owner of any lake or beach management district bond for any loss to ~~((the))~~ a lake or beach management district guaranty fund occurring in the lawful operation of the fund. The owner of a lake or beach management district bond shall not have any claim against the state arising from the lake or beach management district bond, rates and charges, special assessments, or guaranty fund. Tax revenues shall not be used to secure or guarantee the payment of the principal of or interest on lake or beach management district bonds. Notwithstanding the provisions of this subsection, nothing in this section may be interpreted as limiting a county's issuance of bonds pursuant to RCW 36.67.010 in order to assist in the financing of improvements to lakes or beaches located within or partially within the boundaries of the county, including without limitation lakes or beaches located within a lake or beach management district.

~~((b))~~ (b) The substance of the limitations included in this subsection ~~((4))~~ (4) shall be plainly printed, written, engraved, or reproduced on: ~~((a))~~ (i) Each lake or beach management district bond that is a physical instrument; ~~((b))~~ (ii) the official notice of sale; and ~~((c))~~ (iii) each official statement associated with the lake or beach management district bonds.

~~((3))~~ (5) If the county fails to make any principal or interest payments on any lake or beach management district bond or to promptly collect any special assessment securing ~~((the))~~ lake or beach management district revenue bonds when due, the owner of the lake or beach management district revenue bond may obtain a writ of mandamus from any court of competent jurisdiction requiring the county to collect the special assessments, foreclose on the related lien, and make payments out of the special fund or guaranty fund if one exists. Any number of owners of lake or beach management districts may join as plaintiffs.

~~((4))~~ (6) A county may create a lake or beach management district bond guaranty fund for each issue of lake or beach management district bonds. The guaranty fund shall only exist for the life of the lake or beach management district bonds with which it is associated. A portion of the bond proceeds may be placed into a guaranty fund. Unused moneys remaining in the guaranty fund during the last two years of the installments shall be used to proportionally reduce the required level of installments and shall be transferred into the special fund into which installment payments are placed. A county may, in the discretion of the legislative authority of the county, deposit amounts into a lake or beach management district bond guaranty fund from any money legally available for that purpose. Any amounts remaining in the guaranty fund after the repayment of all revenue bonds secured thereby and the payment of assessment installments, may be applied to lake or beach improvement and maintenance activities or to other district purposes.

~~((5))~~ (7) Lake or beach management district bonds shall be issued and sold in accordance with chapter 39.46 RCW. The authority to create a special fund or funds shall include the authority to create accounts within a fund.

**Sec. 8.** RCW 36.61.030 and 2008 c 301 s 5 are each amended to read as follows:

A lake or beach management district may be initiated upon either the adoption of a resolution of intention by a county legislative authority or the filing of a petition signed by ten landowners or the owners of at least ~~((fifteen))~~ twenty percent of the acreage contained within the proposed lake or beach management district, whichever is greater. A petition or resolution of intention

shall set forth: (1) The nature of the lake or beach improvement or maintenance activities proposed to be financed; (2) the amount of money proposed to be raised by special assessments or rates and charges; (3) if special assessments are to be imposed, whether the special assessments will be imposed annually for the duration of the lake or beach management district, or the full special assessments will be imposed at one time, with the possibility of installments being made to finance the issuance of lake or beach management district bonds, or both methods; (4) if rates and charges are to be imposed, the annual amount of revenue proposed to be collected and whether revenue bonds payable from the rates and charges are proposed to be issued; (5) the number of years proposed for the duration of the lake or beach management district; and (6) the proposed boundaries of the lake or beach management district.

The county legislative authority may require the posting of a bond of up to five thousand dollars before the county considers the proposed creation of a lake or beach management district initiated by petition. The bond may only be used by the county to finance its costs in studying, holding hearings, making notices, preparing special assessment rolls or rolls showing the rates and charges on each parcel, and conducting elections related to the lake or beach management district if the proposed lake or beach management district is not created.

A resolution of intention shall also designate the number of the proposed lake or beach management district, and fix a date, time, and place for a public hearing on the formation of the proposed lake or beach management district. The date for the public hearing shall be at least thirty days and no more than ninety days after the adoption of the resolution of intention unless an emergency exists.

Petitions shall be filed with the county legislative authority. The county legislative authority shall determine the sufficiency of the signatures, which shall be conclusive upon all persons. No person may withdraw his or her name from a petition after it is filed. If the county legislative authority determines a petition to be sufficient and the proposed lake or beach management district appears to be in the public interest and the financing of the lake or beach improvement or maintenance activities is feasible, it shall adopt a resolution of intention, setting forth all of the details required to be included when a resolution of intention is initiated by the county legislative authority.

**NEW SECTION. Sec. 9.** A new section is added to chapter 36.61 RCW to read as follows:

(1) In connection with the acquisition of real property or property rights within or outside a lake or beach management district, a county may: (a) Own real property and property rights, including without limitation conservation easements; (b) transfer real property and property rights to another state or local governmental entity; (c) contract with a public or private entity, including without limitation a financial institution with trust powers, a municipal corporation, or a nonprofit corporation, to hold real property or property rights such as conservation easements in trust for the purposes of the lake and beach management district, and, in connection with those services, to pay the reasonable costs of that financial institution or nonprofit corporation; (d) monitor and enforce the terms of a real property right such as a conservation easement, or for that purpose to contract with a public or private entity, including without limitation a financial institution with trust powers, a municipal corporation, or a nonprofit corporation; (e) impose terms, conditions, and encumbrances upon real property or property rights acquired in respect of a lake or beach management district, and amend the same; and (f) accept gifts, grants, and loans in connection with the acquisition of real property and property rights for lake or beach management district purposes.

(2) If a county contracts with a financial institution, municipal corporation, or nonprofit corporation to hold that property or

property rights in trust for purposes of the district, the terms of the contract must provide that the financial institution, municipal corporation, or nonprofit corporation may not sell, pledge, or hypothecate the property or property rights for any purpose, and must further provide for the return of the property or property rights back to the county in the event of a material breach of the terms of the contract.

(3) Before a lake or beach management district in existence as of the effective date of this section exercises the powers set forth in this section, the legislative authority of the county must provide for an amended resolution of intention and modify the plan for the district, with a public hearing, all as provided in RCW 36.61.050.

**Sec. 10.** RCW 36.61.170 and 2008 c 301 s 18 are each amended to read as follows:

(1) The total annual special assessments may not exceed the estimated cost of the lake or beach improvement or maintenance activities proposed to be financed by such special assessments, as specified in the resolution of intention. The total of special assessments imposed in a lake or beach management district that are of the nature of special assessments imposed in a local improvement district shall not exceed one hundred fifty percent of the estimated total cost of the lake or beach improvement or maintenance activities that are proposed to be financed by the lake or beach management district as specified in the resolution of intention.

(2) After a lake or beach management district has been created, the resolution of intention may be amended to increase or otherwise modify the amount to be financed by the lake or beach management district by using the same procedure in which a lake or beach management district is created, including landowner approvals consistent with the procedures established in RCW 36.61.080 through 36.61.100.

**NEW SECTION. Sec. 11.** A new section is added to chapter 36.61 RCW to read as follows:

(1) Except when lake or beach management district bonds are outstanding or when an existing contract might otherwise be impaired, a lake or beach management district may be dissolved either by: The county legislative authority upon a finding that the purposes of the district have been accomplished; or a vote of the property owners within the district, if proposed by the legislative authority of the county or through the filing of a sufficient petition signed by the owners of at least twenty percent of the acreage within the district.

(2) If the question of dissolution of a district is submitted to property owners, the balloting is subject to the following conditions, which must be included in the instructions mailed with each ballot, as provided in RCW 36.61.080:

(a) A ballot must be mailed to each owner or reputed owner of any lot, tract, parcel of land, or other property within the district, with the ballot weighted so that a property owner has one vote for each dollar of special assessment or rates and charges imposed on his or her property;

(b) A ballot must be signed by the owner or reputed owner of property according to the assessor's tax rolls;

(c) Each ballot must be returned to the county legislative authority no later than 5:00 p.m. of a specified day, which must be at least twenty, but not more than thirty days after the ballots are mailed; and

(d) Each property owner must mark his or her ballot for or against the dissolution of the district.

(3) If, following the tabulation of the valid ballots, a simple majority of the votes cast are in favor of dissolving the district, the district must be dissolved on the date established in the ballot proposition.

(4) A county, although not separately responsible for satisfying the financial obligations of a dissolved district, has full authority to continue imposing special assessments, rates, and charges for a

dissolved district until all financial obligations of the district incurred prior to its dissolution have been extinguished or retired."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Sheldon moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 6031.

Senators Sheldon and Liias spoke in favor of the motion.

#### MOTION

On motion of Senator Cleveland, Senator Ranker was excused.

The President declared the question before the Senate to be the motion by Senator Sheldon that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 6031.

The motion by Senator Sheldon carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 6031 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6031, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6031, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dandel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senator Padden

ENGROSSED SENATE BILL NO. 6031, 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

March 7, 2014

MR. PRESIDENT:

The House passed ENGROSSED SENATE BILL NO. 6034 with the following amendment(s): 6034.E AMH ENVI H4339.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 79A.05.335 and 1991 c 107 s 1 are each amended to read as follows:

The legislature finds that the parks and recreation lands owned and managed by the (~~state parks and recreation~~) commission are a significant collection of valuable scenic, natural, cultural, and historical(~~and cultural~~) resources for the citizens of Washington state. The legislature further finds that if citizens understand and appreciate the (~~state park ecological resources, they will come to~~

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~~appreciate and understand the ecosystems and natural resources throughout the state)~~ scenic, natural, cultural, and historical resources present in Washington's state parks, they will be inspired to conserve this important legacy for future generations. Therefore, the ~~((state parks and recreation))~~ commission may ~~((increase the))~~ use ~~((of))~~ its facilities and resources to provide ~~((environmental))~~ scenic, natural, cultural, or historical resource interpretation throughout the state parks system.

**Sec. 2.** RCW 79A.05.340 and 1991 c 107 s 2 are each amended to read as follows:

The ~~((state parks and recreation))~~ commission may provide ~~((environmental interpretative))~~ scenic, natural, cultural, or historical resource interpretive activities for visitors to state parks that:

- (1) Explain the functions, history, significance, and cultural aspects of ecosystems;
- (2) Explain the relationship between human needs, human behaviors and attitudes, and the environment; ~~((and))~~
- (3) Explain the diverse human heritage and cultural changes over time in Washington state;
- (4) Offer experiences and information to increase citizen understanding, appreciation, and stewardship of ((the environment and its multiple uses)) their natural, cultural, ethnic, and artistic heritage; and
- (5) Explain the need for natural, cultural, and historical resource protection and preservation as well as the methods by which these goals can be achieved.

**Sec. 3.** RCW 79A.05.345 and 1991 c 107 s 3 are each amended to read as follows:

The ~~((state parks and recreation))~~ commission may consult and enter into agreements with and solicit assistance from ~~((private sector organizations and other governmental agencies that are interested in conserving and interpreting Washington's environment. The commission shall not permit commercial advertising in state park lands or interpretive centers as a condition of such agreements. Logos or credit lines for sponsoring organizations may be permitted. The commission shall maintain an accounting of all monetary gifts provided, and expenditures of monetary gifts shall not be used to increase personnel))~~ other public agencies, the state parks foundation, private entities, employee business units, and tribes that are interested in stewarding and interpreting state parks scenic, natural, cultural, and recreational resources.

**NEW SECTION. Sec. 4.** A new section is added to chapter 79A.05 RCW to read as follows:

(1) The commission, in consultation with the department of archaeology and historic preservation, may permit commercial advertising on or in state parks lands and buildings when all the following conditions and standards are met with regard to the commercial advertising:

- (a) It conforms to the United States secretary of the interior's standards for the treatment of historic properties when applied to advertising affecting historic structures, cultural and historic landscapes, and archaeological sites;
- (b) It does not detract from the integrity of the park's natural, cultural, historic, and recreational resources and outstanding scenic view sheds;
- (c) It does not create a potential conflict of interest because of the commercial or corporate entity's regulatory or business relationships with the commission; and
- (d) It will acknowledge individuals and organizations that are donors or sponsors of park events or projects or support the sustainability of park concessionaires, lessees, or service providers.

(2) The commission is encouraged to use its advertising authority to promote:

- (a) Community economic development near state parks;
- (b) Wellness, healthy food options, healthy behaviors, and any other public health goals or principles adopted by the state; and
- (c) Park visitor awareness of services and activities within and near each park.

(3) The commission shall adopt standards for advertising, naming, product placement, and other forms of commercial recognition that require the commission to define and prohibit, at minimum, the following:

- (a) Obscene, indecent, or discriminatory content;
- (b) Political or public issue advocacy content;
- (c) Products, services, or other materials that are offensive, insulting, disparaging, or degrading; or
- (d) Products, services, or messages that are contrary to the public interest, including any advertisement that encourages or depicts unsafe behaviors or encourages unsafe or prohibited recreation activities. Tobacco and cannabis must be included among the products prohibited under this subsection (3)(d).

(4) Notwithstanding subsection (1) of this section, commercial advertising, including product placement, is permitted on commission web sites, electronic social media, and printed materials within or outside of state parks.

**NEW SECTION. Sec. 5.** A new section is added to chapter 79A.05 RCW to read as follows:

(1) When entering into any agreement under RCW 79A.05.345 or otherwise involving the management of state park land or a facility by a public or private partner, the commission shall consider, when appropriate:

- (a) If the entity has an adequate source of available funding to assume the financial responsibilities of the agreement;
- (b) If the entity has sufficient expertise to assume the scope of responsibilities of the agreement;
- (c) If the agreement results in net financial benefits to the state; and
- (d) If the agreement results in advancement of the commission's public purpose.

(2) Any agreement subject to this section must include specific performance measures. The performance measures must cover, but are not limited to, the entity's ability to manage financial operating costs, to adequately perform management responsibilities, and to address and respond to public concerns. The agreement must provide that failure to meet any performance measure may lead to the termination of the contract or requirements for remedial action to be taken before the agreement may be extended.

(3) The commission's authority to enter into agreements under this section, section 4 of this act, or RCW 79A.05.345 does not include the ability to rename any state park after a corporate or commercial entity, product, or service.

**Sec. 6.** RCW 79A.70.010 and 2000 c 25 s 2 are each amended to read as follows:

The purpose of the Washington state parks ~~((gift))~~ foundation is to solicit support for the state parks system, cooperate with other organizations, and to encourage gifts to support and improve the state parks.

**Sec. 7.** RCW 79A.70.020 and 2000 c 25 s 3 are each amended to read as follows:

The definitions in this section apply throughout this chapter~~((s))~~ unless the context clearly requires otherwise.

(1) "Foundation" means the Washington state parks ~~((gift))~~ foundation~~((s))~~ created in RCW 79A.70.030.

(2) "State parks" means that system of parks administered by the commission under this title.

(3) "Eligible grant recipients" includes any and all of the activities of the commission in carrying out the provisions of this

title and friends groups or other organizations that propose projects or programs solely for the benefit of state parks.

(4) "Eligible projects" means any project, action, program, or part of any project ~~((or))~~, action, or program that serves to preserve, restore, improve, or enhance the state parks.

**Sec. 8.** RCW 79A.70.030 and 2000 c 25 s 4 are each amended to read as follows:

(1) By September 1, 2000, the commission shall file articles of incorporation in accordance with the Washington nonprofit corporation act, chapter 24.03 RCW, to establish the Washington state parks ~~((gift))~~ foundation. The foundation shall not be an agency, instrumentality, or political subdivision of the state and shall not disburse public funds.

(2) The foundation shall have a board of directors consisting of up to fifteen members, whose terms, method of appointment, and authority must be in accordance with the Washington nonprofit corporation act, chapter 24.03 RCW. ~~((Initial members of the board shall be appointed by the governor and collectively have experience in business, charitable giving, outdoor recreation, and parks administration. Initial appointments shall be made by September 30, 2000. Subsequent board members shall be elected by the general membership of the foundation.~~

~~—(3) Members of the board shall serve three year terms, except for the initial terms, which shall be staggered by the governor to achieve a balanced mix of terms on the board. Members of the board may serve up to a maximum of three terms. At the end of a term, a member may continue to serve until a successor has been elected.))~~

**Sec. 9.** RCW 79A.70.040 and 2000 c 25 s 5 are each amended to read as follows:

(1) ((As soon as practicable, the board of directors shall organize themselves and the foundation suitably to carry out the duties of the foundation, including achieving federal tax-exempt status.

(2))) The foundation shall actively solicit contributions from individuals and groups for the benefit of the state parks.

~~((3))~~ (2) The foundation shall develop criteria for guiding themselves in either the creation of an endowment, or the making of grants to eligible grant recipients and eligible projects in the state parks, or both.

~~((4))~~ (3) A competitive grant process shall be conducted at least annually by the foundation to award funds ~~((to the))~~ for the benefit of state parks. Competitive grant applications shall only be submitted to the foundation by the commission, friends groups, or other organizations with projects or programs solely for the benefit of state parks. ~~((The process shall be started as soon as practicable.))~~ Grants shall be awarded to eligible projects consistent with the criteria developed by the foundation ~~((and shall be available only for state parks use on eligible projects))."~~

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Pearson moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 6034.

Senators Pearson and Liias spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Pearson that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 6034.

The motion by Senator Pearson carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 6034 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6034, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6034, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 2; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dassel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senators Braun and Hasegawa

ENGROSSED SENATE BILL NO. 6034, 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

March 7, 2014

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 6062 with the following amendment(s): 6062-S2 AMH ED H4426.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. It is the legislature's intent to improve the transparency of certain public school data and expenditure information that may currently be available as a public record but is not easily accessible to the general public. For example, there is not a consistent policy for providing easy access to information about either public school employee collective bargaining agreements or associated student body program funds.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.320 RCW to read as follows:

Each school district, charter school, and state-tribal compact school must publish on its web site a copy of its public school employee collective bargaining agreements by September 1, 2014, and thereafter must update the web site within thirty days of approval, renewal, or amendment of any such agreement.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.325 RCW to read as follows:

(1) Each school district that has an associated student body program fund must publish the following information about the fund on its web site:

(a) The fund balance at the beginning of the school year;

(b) Summary data about expenditures and revenues occurring over the course of the school year; and

(c) The fund balance at the end of the school year.

(2) The information under this section must be published for each associated student body of the district and each account within the associated student body program fund.

(3) If the school district web site contains separate web sites for schools in the district, the information under this section must be published on the web site of the applicable school of the associated student body.

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(4) No later than August 31, 2014, school districts must publish the information under this section on their web sites for the 2012-13 and 2013-14 school years. School districts must add updated annual information to their web sites by each August 31st, except that school districts are only required to maintain the information on the web site from the previous five years."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Litzow moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 6062.

Senator Litzow spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Litzow that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 6062.

The motion by Senator Litzow carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 6062 by voice vote.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 6062, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 6062, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 1; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senator Hasegawa

Absent: Senator Ranker

SECOND SUBSTITUTE SENATE BILL NO. 6062, 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

March 7, 2014

MR. PRESIDENT:

The House passed SENATE BILL NO. 6065 with the following amendment(s): 6065 AMH HCW H4414.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Tanning facility" means any location, place, area, structure, or business that provides persons access to any ultraviolet tanning device for a fee.

(2) "Ultraviolet tanning device" means equipment that emits electromagnetic radiation with wavelengths in the air between two

hundred and four hundred nanometers used for tanning of the skin including, but not limited to, a sunlamp, tanning booth, or tanning bed. An ultraviolet tanning device does not mean a phototherapy device which may be used by or under the direct supervision of a licensed physician who is trained in the use of phototherapy devices.

NEW SECTION. Sec. 2. (1) Persons under eighteen years of age are prohibited from using an ultraviolet tanning device without a written prescription for ultraviolet radiation treatment from a physician licensed under chapter 18.57 or 18.71 RCW.

(2) Proof of age must be satisfied with a driver's license or other government-issued identification containing the date of birth and a photograph of the individual.

NEW SECTION. Sec. 3. The owner of a tanning facility that violates this chapter is liable for a civil penalty not to exceed two hundred fifty dollars per violation in addition to any other penalty established by law.

NEW SECTION. Sec. 4. Sections 1 through 3 of this act constitute a new chapter in Title 18 RCW."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator King moved that the Senate concur in the House amendment(s) to Senate Bill No. 6065.

Senators King, Darneille and Kohl-Welles spoke in favor of the motion.

MOTION

On motion of Senator Billig, Senator Ranker was excused.

The President declared the question before the Senate to be the motion by Senator King that the Senate concur in the House amendment(s) to Senate Bill No. 6065.

The motion by Senator King carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6065 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6065, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6065, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 42; Nays, 6; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Darneille, Eide, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hewitt, Hill, Hobbs, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senators Braun, Dansel, Ericksen, Hatfield, Holmquist Newbry and Honeyford

Excused: Senator Ranker

SENATE BILL NO. 6065, 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

March 7, 2014

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 6330 with the following amendment(s): 6330-S2 AMH FIN H4439.1

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** This section is the tax preference performance statement for the tax preference contained in RCW 84.14.040 and 84.14.060. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to stimulate the construction of new multifamily housing in urban growth areas located in unincorporated areas of rural counties where housing options, including affordable housing options, are severely limited. It is the legislature's intent to provide the value of new housing construction, conversion, and rehabilitation improvements qualifying under chapter 84.14 RCW an exemption from ad valorem property taxation for eight to twelve years, as provided for in RCW 84.14.020, in order to provide incentives to developers to construct new multifamily housing thereby increasing the number of affordable housing units for low to moderate-income residents in certain rural counties.

(3) If a review finds that at least twenty percent of the new housing is developed and occupied by households making at or below eighty percent of the area median income, at the time of occupancy, adjusted for family size for the county where the project is located or where the housing is intended exclusively for owner occupancy, the household may earn up to one hundred fifteen percent of the area median income, at the time of sale, adjusted for family size for the county where the project is located, then the legislature intends to extend the expiration date of the tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to data provided by counties in which beneficiaries are utilizing the preference, the office of financial management, the department of commerce, the United States department of housing and urban development, and other data sources as needed by the joint legislative audit and review committee.

**Sec. 2.** RCW 84.14.007 and 2012 c 194 s 1 are each amended to read as follows:

It is the purpose of this chapter to encourage increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient housing opportunities, including affordable housing opportunities. It is further the purpose of this chapter to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities, including affordable housing opportunities, within these urban centers. To achieve these purposes, this chapter provides for special valuations

in residentially deficient urban centers for eligible improvements associated with multiunit housing, which includes affordable housing. It is an additional purpose of this chapter to allow unincorporated areas of rural counties that are within urban growth areas to stimulate housing opportunities and for certain counties to stimulate housing opportunities near college campuses to promote dense, transit-oriented, walkable college communities.

**Sec. 3.** RCW 84.14.010 and 2012 c 194 s 2 are each reenacted and amended to read as follows:

~~((Unless the context clearly requires otherwise,))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for branch campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, or (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215.

(4) "County" means a county with an unincorporated population of at least three hundred fifty thousand.

(5) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(6) "Growth management act" means chapter 36.70A RCW.

(7) "High cost area" means a county where the third quarter median house price for the previous year as reported by the Washington center for real estate research at Washington State University is equal to or greater than one hundred thirty percent of the statewide median house price published during the same time period.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "low-income household" means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "moderate-income household" means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.

(11) "Multiple-unit housing" means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily



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units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

~~((17))~~ (18) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

**Sec. 4.** RCW 84.14.040 and 2012 c 194 s 4 are each amended to read as follows:

(1) The following criteria must be met before an area may be designated as a residential targeted area:

(a) The area must be within an urban center, as determined by the governing authority;

(b) The area must lack, as determined by the governing authority, sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center, if the affordable, desirable, attractive, and livable places to live were available;

(c) The providing of additional housing opportunity, including affordable housing, in the area, as determined by the governing authority, will assist in achieving one or more of the stated purposes of this chapter; and

(d) If the residential targeted area is designated by a county, the area must be located in an unincorporated area of the county that is within an urban growth area under RCW 36.70A.110 and the area must be: (i) In a rural county, served by a sewer system and designated by a county prior to January 1, 2013; or (ii) in a county that includes a campus of an institution of higher education, as defined in RCW 28B.92.030, where at least one thousand two hundred students live on campus during the academic year.

(2) For the purpose of designating a residential targeted area or areas, the governing authority may adopt a resolution of intention to so designate an area as generally described in the resolution. The

resolution must state the time and place of a hearing to be held by the governing authority to consider the designation of the area and may include such other information pertaining to the designation of the area as the governing authority determines to be appropriate to apprise the public of the action intended.

(3) The governing authority must give notice of a hearing held under this chapter by publication of the notice once each week for two consecutive weeks, not less than seven days, nor more than thirty days before the date of the hearing in a paper having a general circulation in the city or county where the proposed residential targeted area is located. The notice must state the time, date, place, and purpose of the hearing and generally identify the area proposed to be designated as a residential targeted area.

(4) Following the hearing, or a continuance of the hearing, the governing authority may designate all or a portion of the area described in the resolution of intent as a residential targeted area if it finds, in its sole discretion, that the criteria in subsections (1) through (3) of this section have been met.

(5) After designation of a residential targeted area, the governing authority must adopt and implement standards and guidelines to be utilized in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(a) Application process and procedures;

(b) Requirements that address demolition of existing structures and site utilization; and

(c) Building requirements that may include elements addressing parking, height, density, environmental impact, and compatibility with the existing surrounding property and such other amenities as will attract and keep permanent residents and that will properly enhance the livability of the residential targeted area in which they are to be located.

(6) The governing authority may adopt and implement, either as conditions to eight-year exemptions or as conditions to an extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of units, than the minimum conditions for an extended exemption period under RCW 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an unincorporated area of a county, a property owner seeking tax incentives under this chapter must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households. In the case of multiunit housing intended exclusively for owner occupancy, the minimum requirement of this subsection (6) may be satisfied solely through housing affordable to moderate-income households.

**Sec. 5.** RCW 84.14.060 and 2012 c 194 s 6 are each amended to read as follows:

(1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

(a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

(b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in RCW 84.14.020;

(c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the

governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040.

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Sheldon moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 6330.

Senator Sheldon spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Sheldon that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 6330.

The motion by Senator Sheldon carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 6330 by voice vote.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 6330, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 6330, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

SECOND SUBSTITUTE SENATE BILL NO. 6330, 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

March 11, 2014

MR. PRESIDENT:

The Speaker has signed:

HOUSE BILL NO. 2555,

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

HOUSE BILL NO. 2555.

MOTION

At 11:41 a.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

The Senate was called to order at 1:59 p.m. by President Owen.

MOTION

On motion of Senator Fain, the Senate advanced to the seventh order of business.

THIRD READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Padden moved that Janice E Ellis, Gubernatorial Appointment No. 9096, be confirmed as a member of the Sentencing Guidelines Commission.

Senators Padden and Liias spoke in favor of passage of the motion.

MOTION

On motion of Senator Billig, Senator Hatfield was excused.

APPOINTMENT OF JANICE E ELLIS

The President declared the question before the Senate to be the confirmation of Janice E Ellis, Gubernatorial Appointment No. 9096, as a member of the Sentencing Guidelines Commission.

The Secretary called the roll on the confirmation of Janice E Ellis, Gubernatorial Appointment No. 9096, as a member of the Sentencing Guidelines Commission and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senator Hatfield

Janice E Ellis, Gubernatorial Appointment No. 9096, having received the constitutional majority was declared confirmed as a member of the Sentencing Guidelines Commission.

THIRD READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Parlette moved that Jerald (Jerry) R Litt, Gubernatorial Appointment No. 9134, be confirmed as a member of the Transportation Commission.

Senator Parlette spoke in favor of the motion.

APPOINTMENT OF JERALD (JERRY) R LITT

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The President declared the question before the Senate to be the confirmation of Jerald (Jerry) R Litt, Gubernatorial Appointment No. 9134, as a member of the Transportation Commission.

MESSAGE FROM THE HOUSE

March 5, 2014

The Secretary called the roll on the confirmation of Jerald (Jerry) R Litt, Gubernatorial Appointment No. 9134, as a member of the Transportation Commission and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senator Hatfield

Jerald (Jerry) R Litt, Gubernatorial Appointment No. 9134, having received the constitutional majority was declared confirmed as a member of the Transportation Commission.

### THIRD READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

#### MOTION

Senator Padden moved that Lenell Nussbaum, Gubernatorial Appointment No. 9153, be confirmed as a member of the Sentencing Guidelines Commission.

Senators Padden and Kline spoke in favor of passage of the motion.

#### APPOINTMENT OF LENELL NUSSBAUM

The President declared the question before the Senate to be the confirmation of Lenell Nussbaum, Gubernatorial Appointment No. 9153, as a member of the Sentencing Guidelines Commission.

The Secretary called the roll on the confirmation of Lenell Nussbaum, Gubernatorial Appointment No. 9153, as a member of the Sentencing Guidelines Commission and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Excused: Senator Hatfield

Lenell Nussbaum, Gubernatorial Appointment No. 9153, having received the constitutional majority was declared confirmed as a member of the Sentencing Guidelines Commission.

#### MOTION

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

MR. PRESIDENT:

The House passed ENGROSSED SENATE BILL NO. 5048 with the following amendment(s): 5048.E AMH JUDI H4431.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 9A.52.010 and 2011 c 336 s 369 are each reenacted and amended to read as follows:

The following definitions apply in this chapter:

(1) "Access" means to approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any resources of a computer, directly or by electronic means.

(2) "Computer program" means an ordered set of data representing coded instructions or statements that when executed by a computer cause the computer to process data.

(3) "Data" means a representation of information, knowledge, facts, concepts, or instructions that are being prepared or have been prepared in a formalized manner and are intended for use in a computer.

(4) "Enter." The word "enter" when constituting an element or part of a crime, shall include the entrance of the person, or the insertion of any part of his or her body, or any instrument or weapon held in his or her hand and used or intended to be used to threaten or intimidate a person or to detach or remove property.

(5) "Enters or remains unlawfully." A person "enters or remains unlawfully" in or upon premises when he or she is not then licensed, invited, or otherwise privileged to so enter or remain.

A license or privilege to enter or remain in a building which is only partly open to the public is not a license or privilege to enter or remain in that part of a building which is not open to the public. A person who enters or remains upon unimproved and apparently unused land, which is neither fenced nor otherwise enclosed in a manner designed to exclude intruders, does so with license and privilege unless notice against trespass is personally communicated to him or her by the owner of the land or some other authorized person, or unless notice is given by posting in a conspicuous manner. Land that is used for commercial aquaculture or for growing an agricultural crop or crops, other than timber, is not unimproved and apparently unused land if a crop or any other sign of cultivation is clearly visible or if notice is given by posting in a conspicuous manner. Similarly, a field fenced in any manner is not unimproved and apparently unused land. A license or privilege to enter or remain on improved and apparently used land that is open to the public at particular times, which is neither fenced nor otherwise enclosed in a manner to exclude intruders, is not a license or privilege to enter or remain on the land at other times if notice of prohibited times of entry is posted in a conspicuous manner.

(6) "Posting in a conspicuous manner" includes posting a sign or signs reasonably likely to come to the attention of intruders, indicating that entry is restricted or, if the property is located outside of urban growth areas and incorporated cities or towns, the placement of identifying fluorescent orange paint marks on trees or posts on property.

(a) Identifying fluorescent orange marks must be:

(i) Vertical lines not less than eight inches in length and not less than one inch in width;

(ii) Placed so that the bottom of the mark is between three and five feet from the ground; and

(iii) Placed at locations that are readily visible to any person approaching the property and no more than one hundred feet apart on forest land, as defined in RCW 76.09.020, or one thousand feet apart on land other than forest land.

(b) A landowner must use signs for posting in a conspicuous manner on access roads.

(7) "Premises" includes any building, dwelling, structure used for commercial aquaculture, or any real property."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Sheldon moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5048.

Senator Sheldon spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Sheldon that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5048.

The motion by Senator Sheldon carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 5048 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5048, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5048, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 35; Nays, 14; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Conway, Dammeier, Dansel, Eide, Ericksen, Fain, Frockt, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Litzow, Nelson, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senators Billig, Chase, Cleveland, Darneille, Fraser, Hasegawa, Kline, Kohl-Welles, Lias, McAuliffe, McCoy, Mullet, Pedersen and Ranker

ENGROSSED SENATE BILL NO. 5048, 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

March 7, 2014

MR. PRESIDENT:

The House passed ENGROSSED SENATE BILL NO. 6458 with the following amendment(s): 6458.E AMH HCW H4393.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 48.02.060 and 2010 c 27 s 1 are each amended to read as follows:

(1) The commissioner has the authority expressly conferred upon him or her by or reasonably implied from the provisions of this code.

(2) The commissioner must execute his or her duties and must enforce the provisions of this code.

(3) The commissioner may:

(a) Make reasonable rules for effectuating any provision of this code, except those relating to his or her election, qualifications, or

compensation. Rules are not effective prior to their being filed for public inspection in the commissioner's office.

(b) Conduct investigations to determine whether any person has violated any provision of this code.

(c) Conduct examinations, investigations, hearings, in addition to those specifically provided for, useful and proper for the efficient administration of any provision of this code.

(4) When the governor proclaims a state of emergency under RCW 43.06.010(12), the commissioner may issue an order that addresses any or all of the following matters related to insurance policies issued in this state:

(a) Reporting requirements for claims;

(b) Grace periods for payment of insurance premiums and performance of other duties by insureds;

(c) Temporary postponement of cancellations and nonrenewals; and

(d) Medical coverage to ensure access to care.

(5) An order by the commissioner under subsection (4) of this section may remain effective for not more than sixty days unless the commissioner extends the termination date for the order for an additional period of not more than thirty days. The commissioner may extend the order if, in the commissioner's judgment, the circumstances warrant an extension. An order of the commissioner under subsection (4) of this section is not effective after the related state of emergency is terminated by proclamation of the governor under RCW 43.06.210. The order must specify, by line of insurance:

(a) The geographic areas in which the order applies, which must be within but may be less extensive than the geographic area specified in the governor's proclamation of a state of emergency and must be specific according to an appropriate means of delineation, such as the United States postal service zip codes or other appropriate means; and

(b) The date on which the order becomes effective and the date on which the order terminates.

(6) The commissioner may adopt rules that establish general criteria for orders issued under subsection (4) of this section and may adopt emergency rules applicable to a specific proclamation of a state of emergency by the governor.

(7) The rule-making authority set forth in subsection (6) of this section does not limit or affect the rule-making authority otherwise granted to the commissioner by law.

(8) In addition to the requirements of the administrative procedure act established in chapter 34.05 RCW, the commissioner must provide notice of proposed rule making on matters related to health care insurance to the health care committees of the legislature, the health benefit exchange established under chapter 43.71 RCW, the health care authority established under chapter 41.05 RCW, and the governor. In the event a dispute arises among the state officials and entities implementing the federal patient protection and affordable care act, the governor shall convene a meeting of the following officials and entities to resolve the dispute:

(a) The insurance commissioner;

(b) The health care authority;

(c) The department of health;

(d) The department of social and health services;

(e) The governor's legislative affairs and policy office;

(f) The office of financial management;

(g) The health benefit exchange; and

(h) Any other officials or entities the governor deems appropriate, including:

(i) The department of corrections;

(ii) The department of veterans affairs; and

(iii) The department of labor and industries.

(9) The governor may utilize the governor's health leadership team established in Executive Order 13-05 as a forum to convene

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the meeting required in subsection (8) of this section.

(10) The governor shall report the resolution of the meeting to the appropriate committees of the legislature and the joint select committee on health care oversight."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Becker moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 6458.

Senator Becker spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Becker that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 6458.

The motion by Senator Becker carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 6458 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6458, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6458, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 35; Nays, 14; Absent, 0; Excused, 0.

Voting yeas: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Frockt, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, King, Liias, Litzow, Mullet, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nays: Senators Billig, Chase, Cleveland, Conway, Darneille, Eide, Fraser, Hasegawa, Keiser, Kline, Kohl-Welles, McAuliffe, McCoy and Nelson

ENGROSSED SENATE BILL NO. 6458, 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

March 7, 2014

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 6388 with the following amendment(s): 6388-S.E AMH ENGR H4422.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that the availability of affordable, fresh, and nourishing foods is essential for individuals to maintain a healthy lifestyle. The legislature also finds that new methods of purchasing and delivering fresh, nourishing foods are emerging and lowering the costs of these foods. The legislature further finds that some of the new business models for purchasing and delivering fresh, nourishing foods are being inappropriately classified as food service establishments. Therefore, it is the intent of the legislature to establish a direct seller license for businesses that sell and collect payment only through a

web site for prepackaged foods obtained from a food processor either licensed or inspected, or both, by a state or federal regulatory agency and that deliver the food directly to consumers without any interim storage.

NEW SECTION. Sec. 2. A new section is added to chapter 69.04 RCW to read as follows:

(1) The department shall issue a license to operate as a direct seller to any entity that:

(a) Submits a completed application on forms approved by the department;

(b) Provides the department with a list of all leased, rented, or owned vehicles, other than vehicles that are rented for less than forty-five days, used by the applicant's business to deliver food;

(c) Maintains all records of vehicles that are rented for less than forty-five days for at least twelve months following the termination of the rental period;

(d) Maintains food temperature logs or uses a device to monitor the temperature of the packages in real time for all food while in transport; and

(e) Submits all appropriate fees to the department.

(2) The department shall develop, by rule, an annual license and renewal fee to defray the costs of administering the licensing and inspection program created by this section. All moneys received by the department under the provisions of this section must be paid into the food processing inspection account created in RCW 69.07.120 and must be used solely to carry out the provisions of this section.

(3)(a) A licensed direct seller is required to protect food from contamination while in transport. Food must be transported under conditions that protect food against physical, chemical, and microbial contamination, as well as against deterioration of the food and its container.

(b) Compliance with this subsection (3) requires, but is not limited to, the separation of raw materials in such a fashion that they avoid cross-contamination of other food products, particularly ready-to-eat food. An example of this principle includes ensuring that, during the transport of raw fish and seafood, meat, poultry, or other food which inherently contains pathogenic and spoilage microorganisms, soil, or other foreign material, the raw materials may not come into direct contact with other food in the same container or in any other cross-contaminating circumstance.

(4) In the event of a food recall or when required by the department, a federal, state, or local health authority in response to a food borne illness outbreak, a licensed direct seller shall use its client listserv to notify customers of the recall and any other relevant information.

(5) In the implementation of this section, the department shall:

(a) Conduct inspections of vehicles, food handling areas, refrigeration equipment, and product packaging used by a licensed direct seller;

(b) Conduct audits of temperature logs and other food handling records as appropriate;

(c) Investigate any complaints against a licensed direct seller for the failure to maintain food safety; and

(d) Adopt rules, in consultation with the department of health and local health jurisdictions, necessary to administer and enforce the program consistent with federal regulations.

(6) Direct sellers that have a license from the department under this section are exempt from the permitting requirements of food service rules adopted by the state board of health and any local health jurisdiction.

(7) The director may deny, suspend, or revoke any license provided under this section if the director determines that an applicant or licensee has committed any of the following:

(a) Refused, neglected, or failed to comply with the provisions of this section, the rules and regulations adopted under this section, or any order of the director;

(b) Refused, neglected, or failed to keep and maintain records required by this chapter, or refused the department access to such records;

(c) Refused the department access to any portion or area of vehicles, food handling areas, or any other areas or facilities housing equipment or product packaging used by the direct retailer in the course of performing business responsibilities; or

(d) Failed to submit an application for a license meeting the requirements of this section or failed to pay the appropriate annual license or renewal fee.

(8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise:

(a) "Department" means the department of agriculture.

(b) "Direct seller" means an entity that receives prepackaged food from a food processor that is either licensed or inspected, or both, by a state or federal regulatory agency or the department and that delivers the food directly to consumers who only placed and paid for an order on the entity's web site, as long as:

(i) The food is delivered by the entity without opening the packaging and without dividing it into smaller packages;

(ii) There is no interim storage by the entity; and

(iii) The food is delivered by means of vehicles that are equipped with either refrigeration or freezer units, or both, and that meet the requirements of rules authorized by this chapter.

**Sec. 3.** RCW 69.07.120 and 2011 c 281 s 12 are each amended to read as follows:

All moneys received by the department under the provisions of this chapter, section 2 of this act, and chapter 69.22 RCW shall be paid into the food processing inspection account hereby created within the agricultural local fund established in RCW 43.23.230 and shall be used solely to carry out the provisions of this chapter, section 2 of this act, and chapters 69.22 and 69.04 RCW."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Padden moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6388.

Senator Padden spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Padden that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6388.

The motion by Senator Padden carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 6388 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6388, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6388, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser,

Frockt, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

Voting nay: Senator Hasegawa

ENGROSSED SUBSTITUTE SENATE BILL NO. 6388, 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

March 5, 2014

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 6086 with the following amendment(s): 6086-S AMH SHOR H4441.1

On page 5, after line 11, insert the following:

"(3) Nothing in this section requires the department or any other state agency to breach an existing contract or dispose of stock that has been ordered or is in the possession of the department or other state agency as of the effective date of this section." and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Billig moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6086.

Senators Billig and Ericksen spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Billig that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6086.

The motion by Senator Billig carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 6086 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6086, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6086, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

SUBSTITUTE SENATE BILL NO. 6086, 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

March 10, 2014

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MR. PRESIDENT:

The House receded from its amendment(s) to SUBSTITUTE SENATE BILL NO. 6283. Under suspension of the rules, the bill was returned to second reading for the purposes of amendment(s). The House adopted the following amendment(s): 6283-S AMH CODY MORI 097, and passed the bill as amended by the House.

On page 3, beginning on line 26 of the striking amendment, after "testing" strike all material through "department" on line 28 and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

## MOTION

Senator Becker moved that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6283 and ask the House to recede therefrom.

The President declared the question before the Senate to be the motion by Senator Becker that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6283 and ask the House to recede therefrom.

The motion by Senator Becker carried and the Senate refused to concur in the House amendment(s) to Substitute Senate Bill No. 6283 and asked the House to recede therefrom by voice vote.

## MESSAGE FROM THE HOUSE

March 10, 2014

MR. PRESIDENT:

The Speaker ruled that the Senate amendment(s) to SUBSTITUTE HOUSE BILL NO. 2613 to be beyond scope & object of the bill. The House refuses to concur in said amendment and asks the Senate to recede therefrom. and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

## MOTION

Senator Bailey moved that the Senate recede from its position on Substitute House Bill No. 2613 and pass the bill without the Senate amendment(s).

Senators Bailey and Kohl-Welles spoke in favor of passage of the motion.

The President declared the question before the Senate to be motion by Senator Bailey that the Senate recede from its position on Substitute House Bill No. 2613 and pass the bill without Senate amendment(s).

The motion by Senator Bailey carried and the Senate receded from its position on Substitute House Bill No. 2613 and pass the bill without the Senate amendment(s) by voice vote.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 2613 without the Senate amendment(s).

## ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2613, without the Senate amendment(s), and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs,

Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

SUBSTITUTE HOUSE BILL NO. 2613, without the Senate amendment(s), 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.

## INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced Miss Belle Eliason, Mt. Rainer High School (Des Moines) senior and honorary Assistant President of the day who was seated at the rostrum and recognized by the Senate.

## MESSAGE FROM THE HOUSE

March 5, 2014

MR. PRESIDENT:

The House passed SENATE BILL NO. 6141 with the following amendment(s): 6141 AMH GOE H4366.1

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** A new section is added to chapter 81.77 RCW to read as follows:

Records, subject to chapter 42.56 RCW, filed with the commission or the attorney general from any person that contain valuable commercial information, including trade secrets or confidential marketing, cost, or financial information, or customer-specific usage information, are not subject to inspection or copying under chapter 42.56 RCW: (1) Until notice to the person or persons directly affected has been given; and (2) if, within ten days of the notice, the person has obtained a superior court order protecting the records as confidential. The court must determine that the records are confidential and not subject to inspection and copying if disclosure is likely to result in private loss, including an unfair competitive disadvantage, and is not necessary for further public review and comment on the appropriate allocation of costs and revenues. When providing information to the commission or the attorney general, a person shall designate which records or portions of records contain valuable commercial information. Nothing in this section prevents the use of protective orders by the commission governing disclosure of proprietary or confidential information in contested proceedings.

**Sec. 2.** RCW 42.56.330 and 2012 c 68 s 4 are each amended to read as follows:

The following information relating to public utilities and transportation is exempt from disclosure under this chapter:

(1) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 or section 1 of this act that a court has determined are confidential under RCW 80.04.095 or section 1 of this act;

(2) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order;

(3) The names, residential addresses, residential telephone numbers, and other individually identifiable records held by an agency in relation to a vanpool, carpool, or other ride-sharing program or service; however, these records may be disclosed to other persons who apply for ride-matching services and who need

that information in order to identify potential riders or drivers with whom to share rides;

(4) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons;

(5) The personally identifying information of persons who acquire and use transit passes or other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose personally identifying information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media for the purpose of preventing fraud, or to the news media when reporting on public transportation or public safety. As used in this subsection, "personally identifying information" includes acquisition or use information pertaining to a specific, individual transit pass or fare payment media.

(a) Information regarding the acquisition or use of transit passes or fare payment media may be disclosed in aggregate form if the data does not contain any personally identifying information.

(b) Personally identifying information may be released to law enforcement agencies if the request is accompanied by a court order;

(6) Any information obtained by governmental agencies that is collected by the use of a motor carrier intelligent transportation system or any comparable information equipment attached to a truck, tractor, or trailer; however, the information may be given to other governmental agencies or the owners of the truck, tractor, or trailer from which the information is obtained. As used in this subsection, "motor carrier" has the same definition as provided in RCW 81.80.010;

(7) The personally identifying information of persons who acquire and use transponders or other technology to facilitate payment of tolls. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information. For these purposes aggregate data may include the census tract of the account holder as long as any individual personally identifying information is not released. Personally identifying information may be released to law enforcement agencies only for toll enforcement purposes. Personally identifying information may be released to law enforcement agencies for other purposes only if the request is accompanied by a court order; and

(8) The personally identifying information of persons who acquire and use a driver's license or identicaid that includes a radio frequency identification chip or similar technology to facilitate border crossing. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information. Personally identifying information may be released to law enforcement agencies only for United States customs and border protection enforcement purposes. Personally identifying information may be released to law enforcement agencies for other purposes only if the request is accompanied by a court order."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Roach moved that the Senate concur in the House amendment(s) to Senate Bill No. 6141.

Senator Roach spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Roach that the Senate concur in the House amendment(s) to Senate Bill No. 6141.

The motion by Senator Roach carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6141 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6141, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6141, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dassel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist, Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

SENATE BILL NO. 6141, 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

March 6, 2014

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5173 with the following amendment(s): 5173-S AMH JUDI H4435.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 1.16.050 and 2013 c 5 s 1 are each amended to read as follows:

The following are legal holidays: Sunday; the first day of January, commonly called New Year's Day; the third Monday of January, being celebrated as the anniversary of the birth of Martin Luther King, Jr.; the third Monday of February to be known as Presidents' Day and to be celebrated as the anniversary of the births of Abraham Lincoln and George Washington; the last Monday of May, commonly known as Memorial Day; the fourth day of July, being the anniversary of the Declaration of Independence; the first Monday in September, to be known as Labor Day; the eleventh day of November, to be known as Veterans' Day; the fourth Thursday in November, to be known as Thanksgiving Day; the day immediately following Thanksgiving Day; and the twenty-fifth day of December, commonly called Christmas Day.

Employees of the state and its political subdivisions, except employees of school districts and except those nonclassified employees of institutions of higher education who hold appointments or are employed under contracts to perform services for periods of less than twelve consecutive months, shall be entitled to one paid holiday per calendar year in addition to those specified in this section. Each employee of the state or its political subdivisions may select the day on which the employee desires to take the additional holiday provided for herein after consultation with the employer pursuant to guidelines to be promulgated by rule of the appropriate personnel authority, or in the case of local government by ordinance or resolution of the legislative authority.



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Employees of the state and its political subdivisions, including employees of school districts and those nonclassified employees of institutions of higher education who hold appointments or are employed under contracts to perform services for periods of less than twelve consecutive months, are entitled to two unpaid holidays per calendar year for a reason of faith or conscience or an organized activity conducted under the auspices of a religious denomination, church, or religious organization. This includes employees of public institutions of higher education, including community colleges, technical colleges, and workforce training programs. The employee may select the days on which the employee desires to take the two unpaid holidays after consultation with the employer pursuant to guidelines to be promulgated by rule of the appropriate personnel authority, or in the case of local government by ordinance or resolution of the legislative authority. If an employee prefers to take the two unpaid holidays on specific days for a reason of faith or conscience, or an organized activity conducted under the auspices of a religious denomination, church, or religious organization, the employer must allow the employee to do so unless the employee's absence would impose an undue hardship on the employer or the employee is necessary to maintain public safety. Undue hardship shall have the meaning established in rule by the office of financial management under section 2 of this act.

If any of the above specified state legal holidays are also federal legal holidays but observed on different dates, only the state legal holidays shall be recognized as a paid legal holiday for employees of the state and its political subdivisions except that for port districts and the law enforcement and public transit employees of municipal corporations, either the federal or the state legal holiday, but in no case both, may be recognized as a paid legal holiday for employees.

Whenever any legal holiday, other than Sunday, falls upon a Sunday, the following Monday shall be the legal holiday.

Whenever any legal holiday falls upon a Saturday, the preceding Friday shall be the legal holiday.

Nothing in this section shall be construed to have the effect of adding or deleting the number of paid holidays provided for in an agreement between employees and employers of political subdivisions of the state or as established by ordinance or resolution of the local government legislative authority.

The legislature declares that the thirteenth day of January shall be recognized as Korean-American day but shall not be considered a legal holiday for any purposes.

The legislature declares that the twelfth day of October shall be recognized as Columbus day but shall not be considered a legal holiday for any purposes.

The legislature declares that the ninth day of April shall be recognized as former prisoner of war recognition day but shall not be considered a legal holiday for any purposes.

The legislature declares that the twenty-sixth day of January shall be recognized as Washington army and air national guard day but shall not be considered a legal holiday for any purposes.

The legislature declares that the seventh day of August shall be recognized as purple heart recipient recognition day but shall not be considered a legal holiday for any purposes.

The legislature declares that the second Sunday in October be recognized as Washington state children's day but shall not be considered a legal holiday for any purposes.

The legislature declares that the sixteenth day of April shall be recognized as Mother Joseph day and the fourth day of September as Marcus Whitman day, but neither shall be considered legal holidays for any purpose.

The legislature declares that the seventh day of December be recognized as Pearl Harbor remembrance day but shall not be considered a legal holiday for any purpose.

The legislature declares that the twenty-seventh day of July be recognized as national Korean war veterans armistice day but shall not be considered a legal holiday for any purpose.

The legislature declares that the nineteenth day of February be recognized as civil liberties day of remembrance but shall not be considered a legal holiday for any purpose.

The legislature declares that the nineteenth day of June be recognized as Juneteenth, a day of remembrance for the day the slaves learned of their freedom, but shall not be considered a legal holiday for any purpose.

The legislature declares that the thirtieth day of March be recognized as welcome home Vietnam veterans day but shall not be considered a legal holiday for any purpose.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW to read as follows:

The director of the office of financial management shall by rule establish a definition of "undue hardship" for the purposes of RCW 1.16.050.

**Sec. 3.** RCW 28A.225.010 and 1998 c 244 s 14 are each amended to read as follows:

(1) All parents in this state of any child eight years of age and under eighteen years of age shall cause such child to attend the public school of the district in which the child resides and such child shall have the responsibility to and therefore shall attend for the full time when such school may be in session unless:

(a) The child is attending an approved private school for the same time or is enrolled in an extension program as provided in RCW 28A.195.010(4);

(b) The child is receiving home-based instruction as provided in subsection (4) of this section;

(c) The child is attending an education center as provided in chapter 28A.205 RCW;

(d) The school district superintendent of the district in which the child resides shall have excused such child from attendance because the child is physically or mentally unable to attend school, is attending a residential school operated by the department of social and health services, is incarcerated in an adult correctional facility, or has been temporarily excused upon the request of his or her parents for purposes agreed upon by the school authorities and the parent: **PROVIDED**, That such excused absences shall not be permitted if deemed to cause a serious adverse effect upon the student's educational progress: **PROVIDED FURTHER**, That students excused for such temporary absences may be claimed as full-time equivalent students to the extent they would otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260 and shall not affect school district compliance with the provisions of RCW 28A.150.220; ((~~or~~))

(e) The child is excused from school subject to approval by the student's parent for a reason of faith or conscience, or an organized activity conducted under the auspices of a religious denomination, church, or religious organization, for up to two days per school year without any penalty. Such absences may not mandate school closures. Students excused for such temporary absences may be claimed as full-time equivalent students to the extent they would otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260 and may not affect school district compliance with the provisions of RCW 28A.150.220; or

(f) The child is sixteen years of age or older and:

(i) The child is regularly and lawfully employed and either the parent agrees that the child should not be required to attend school or the child is emancipated in accordance with chapter 13.64 RCW;

(ii) The child has already met graduation requirements in accordance with state board of education rules and regulations; or

(iii) The child has received a certificate of educational competence under rules and regulations established by the state board of education under RCW 28A.305.190.

(2) A parent for the purpose of this chapter means a parent, guardian, or person having legal custody of a child.

(3) An approved private school for the purposes of this chapter and chapter 28A.200 RCW shall be one approved under regulations established by the state board of education pursuant to RCW 28A.305.130.

(4) For the purposes of this chapter and chapter 28A.200 RCW, instruction shall be home-based if it consists of planned and supervised instructional and related educational activities, including a curriculum and instruction in the basic skills of occupational education, science, mathematics, language, social studies, history, health, reading, writing, spelling, and the development of an appreciation of art and music, provided for a number of hours equivalent to the total annual program hours per grade level established for approved private schools under RCW 28A.195.010 and 28A.195.040 and if such activities are:

(a) Provided by a parent who is instructing his or her child only and are supervised by a certificated person. A certificated person for purposes of this chapter and chapter 28A.200 RCW shall be a person certified under chapter 28A.410 RCW. For purposes of this section, "supervised by a certificated person" means: The planning by the certificated person and the parent of objectives consistent with this subsection; a minimum each month of an average of one contact hour per week with the child being supervised by the certificated person; and evaluation of such child's progress by the certificated person. The number of children supervised by the certificated person shall not exceed thirty for purposes of this subsection; or

(b) Provided by a parent who is instructing his or her child only and who has either earned forty-five college level quarter credit hours or its equivalent in semester hours or has completed a course in home-based instruction at a postsecondary institution or a vocational-technical institute; or

(c) Provided by a parent who is deemed sufficiently qualified to provide home-based instruction by the superintendent of the local school district in which the child resides.

(5) The legislature recognizes that home-based instruction is less structured and more experiential than the instruction normally provided in a classroom setting. Therefore, the provisions of subsection (4) of this section relating to the nature and quantity of instructional and related educational activities shall be liberally construed.

**NEW SECTION. Sec. 4.** A new section is added to chapter 28B.10 RCW to read as follows:

Institutions of higher education must develop policies to accommodate student absences for up to two days per academic year, to allow students to take holidays for reasons of faith or conscience or for organized activities conducted under the auspices of a religious denomination, church, or religious organization, so that students' grades are not adversely impacted by the absences.

**NEW SECTION. Sec. 5.** A new section is added to chapter 28C.18 RCW to read as follows:

State-funded workforce training programs must develop policies to accommodate student absences for up to two days per academic year, to allow students to take holidays for reasons of faith or conscience or for organized activities conducted under the auspices of a religious denomination, church, or religious organization, so that students' grades are not adversely impacted by the absences."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

## MOTION

Senator Hasegawa moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5173.

Senators Hasegawa, Baumgartner, Frockt, Dansel, Kline and Roach spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Hasegawa that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5173.

The motion by Senator Hasegawa carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5173 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5173, as amended by the House.

## ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5173, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist, Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

SUBSTITUTE SENATE BILL NO. 5173, 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 Fain, the Senate advanced to the sixth order of business.

## MOTION

Senator Billig moved that the Senate advance to the ninth order of business.

Senator Billig spoke in favor of the motion.

Senator Schoesler spoke against the motion.

Senator Rolfes demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the motion by Senator Billig that the Senate advance to the ninth order of business.

The Secretary called the roll on the motion by Senator Billig and the motion failed by the following vote: Yeas, 23; Nays, 26; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Chase, Cleveland, Conway, Darneille, Eide, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hobbs, Keiser, Kline, Kohl-Welles, Lias, McAuliffe, McCoy, Mullet, Nelson, Pedersen, Ranker and Rolfes

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Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Hewitt, Hill, Holmquist Newbry, Honeyford, King, Litzow, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Tom

SECOND READING

SENATE BILL NO. 6430, by Senators Liias, Fain, Hobbs, Litzow, Eide, Dammeier, McAuliffe, Baumgartner, Cleveland, Angel and Ericksen

Extending tax preferences for high-technology research and development.

MOTION

On motion of Senator Liias, Substitute Senate Bill No. 6430 was substituted for Senate Bill No. 6430 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Hasegawa moved that the following amendment by Senator Hasegawa be adopted:

On page 2, line 12, after "program", strike ",," and insert "(;)"

On page 2, line 14, after "development", strike ",, have increased" and insert "(,have increased)"

On page 3, line 23, after "(3)" insert "(a)"

On page 3, line 28, insert "(b) The credit may not be assigned to persons domiciled outside of Washington state or for research and development conducted by persons outside of Washington state."

On page 4, line 23, after "including" insert "qualifying"

On page 4, line 34, insert "(d) "Qualifying wages" means wages for full time employees who perform research and development. Any employee performing research and development who is hired after the effective date of this section must be a Washington resident."

On page 5, line 33, after "program", strike ",," and insert "(;)"

On page 5, line 33, after "jobs", insert "have increased in Washington state by ten percent"

On page 5, line 35, after "development", strike ",, have increased" and insert "(,have increased)"

Re-number the remaining subsections consecutively and correct any internal references accordingly.

Senators Hasegawa and Chase spoke in favor of adoption of the amendment.

Senators Liias and Hill spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Hasegawa on page 2, line 12 to Substitute Senate Bill No. 6430.

The motion by Senator Hasegawa failed and the amendment was not adopted by voice vote.

MOTION

Senator Liias moved that the following striking amendment by Senators Liias and Hill be adopted:

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 1.** This section is the tax preference performance statement for the tax credit and tax deferral contained in sections 2 and 3 of this act. This performance statement is only

intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes these tax preferences as intended to improve industry competitiveness and create or retain jobs, as indicated in RCW 82.32.808(2) (b) and (c).

(2) It is the legislature's specific public policy objective to improve industry competitiveness and create or retain more jobs. It is the legislature's intent to provide a business and occupation tax credit for high-technology companies performing research and development and a sales and use tax deferral for certain construction and equipment purchases for new and expanding high-technology companies conducting research and development in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology, in order to reduce the business costs of performing research and development in specified areas and to reduce the cost of certain construction and equipment purchases used for research and development, thereby encouraging investments in research and development, thereby increasing the number of firms in the industry performing research and development activities, thereby increasing the number of jobs performing research and development in the high-technology industry.

(3) If a review finds that the number of businesses participating in the credit and deferral programs, and the overall number of jobs performing research and development, have increased compared to the number at the time of enactment, then the legislature intends to extend the expiration date of the tax preferences.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to: (a) Employment data available from the employment security department; and (b) the North American industrial code system (NAICS) from the department of revenue.

**Sec. 2.** RCW 82.04.4452 and 2010 c 114 s 114 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for each person whose research and development spending during the year in which the credit is claimed exceeds 0.92 percent of the person's taxable amount during the same calendar year.

(2) The credit is calculated as follows:

(a) Determine the greater of the amount of qualified research and development expenditures of a person or eighty percent of amounts received by a person other than a public educational or research institution in compensation for the conduct of qualified research and development;

(b) Subtract 0.92 percent of the person's taxable amount from the amount determined under (a) of this subsection;

(c) Multiply the amount determined under (b) of this subsection by the following:

(i) For the period June 10, 2004, through December 31, 2006, the person's average tax rate for the calendar year for which the credit is claimed;

(ii) For the calendar year ending December 31, 2007, the greater of the person's average tax rate for that calendar year or 0.75 percent;

(iii) For the calendar year ending December 31, 2008, the greater of the person's average tax rate for that calendar year or 1.0 percent;

(iv) For the calendar year ending December 31, 2009, the greater of the person's average tax rate for that calendar year or 1.25 percent;

(v) For the calendar year ending December 31, 2010, and thereafter, 1.50 percent.

For purposes of calculating the credit, if a person's reporting period is less than annual, the person may use an estimated average tax rate for the calendar year for which the credit is claimed by using the person's average tax rate for each reporting period. A person who uses an estimated average tax rate must make an adjustment to the total credit claimed for the calendar year using the person's actual average tax rate for the calendar year when the person files its last return for the calendar year for which the credit is claimed.

(3) Any person entitled to the credit provided in subsection (2) of this section as a result of qualified research and development conducted under contract may assign all or any portion of the credit to the person contracting for the performance of the qualified research and development.

(4) The credit, including any credit assigned to a person under subsection (3) of this section, must be claimed against taxes due for the same calendar year in which the qualified research and development expenditures are incurred. The credit, including any credit assigned to a person under subsection (3) of this section, for each calendar year may not exceed the lesser of two million dollars or the amount of tax otherwise due under this chapter for the calendar year.

(5) For any person claiming the credit, including any credit assigned to a person under subsection (3) of this section, whose research and development spending during the calendar year in which the credit is claimed fails to exceed 0.92 percent of the person's taxable amount during the same calendar year or who is otherwise ineligible, the department must declare the taxes against which the credit was claimed to be immediately due and payable. The department must assess interest, but not penalties, on the taxes against which the credit was claimed. Interest must be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, retroactively to the date the credit was claimed, and accrues until the taxes against which the credit was claimed are repaid. Any credit assigned to a person under subsection (3) of this section that is disallowed as a result of this section may be claimed by the person who performed the qualified research and development subject to the limitations set forth in subsection (4) of this section.

(6) A person claiming the credit provided in this section must file a complete annual survey with the department under RCW 82.32.585.

(7) For the purpose of this section:

(a) "Average tax rate" means a person's total tax liability under this chapter for the calendar year for which the credit is claimed divided by the taxpayer's total taxable amount under this chapter for the calendar year for which the credit is claimed.

(b) "Qualified research and development expenditures" means operating expenses, including wages, compensation of a proprietor or a partner in a partnership as determined under rules adopted by the department, benefits, supplies, and computer expenses, directly incurred in qualified research and development by a person claiming the credit provided in this section. The term does not include amounts paid to a person other than a public educational or research institution to conduct qualified research and development. Nor does the term include capital costs and overhead, such as expenses for land, structures, or depreciable property.

(c) "Qualified research and development" (~~shall have~~) has the same meaning as in RCW 82.63.010.

(d) "Research and development spending" means qualified research and development expenditures plus eighty percent of amounts paid to a person other than a public educational or research institution to conduct qualified research and development.

(e) "Taxable amount" means the taxable amount subject to the tax imposed in this chapter required to be reported on the person's combined excise tax returns for the calendar year for which the credit is claimed, less any taxable amount for which a credit is allowed under RCW 82.04.440.

(8) This section expires (~~January~~) October 1, 2015.

**Sec. 3.** RCW 82.63.030 and 2008 c 15 s 4 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the department (~~shall~~) must issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW on each eligible investment project.

(2) No certificate may be issued for an investment project that has already received a deferral under chapter 82.60 RCW or this chapter, except that an investment project for qualified research and development that has already received a deferral may also receive an additional deferral certificate for adapting the investment project for use in pilot scale manufacturing.

(3) This section (~~shall~~) expires (~~January~~) October 1, 2015.

**NEW SECTION. Sec. 4.** (1) The high-technology research and development investment work group is established. The work group consists of the following members:

(a) One member from each of the two largest caucuses of the senate, appointed by the president of the senate;

(b) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(c) The director of the department of commerce who must serve as chair of the work group;

(d) The director of the department of revenue or his or her designee;

(e) The presidents of the University of Washington and Washington State University or their designees;

(f)(i) One representative from each of the following industries appointed by the governor:

(A) Advanced computing;

(B) Advanced materials;

(C) Biotechnology;

(D) Electronic device technology; and

(E) Environmental technology.

(ii) A statewide organization representing each of the industries listed in this subsection (1)(f) must submit a list of three names to the governor. The governor must make each appointment from each list submitted or request the statewide organization to submit a new list with up to three additional names.

(2)(a) The work group must develop recommendations for the legislature to improve the competitiveness of the high-technology research and development industry through investment strategies that keep the state's tax incentives competitive and support the ongoing development of a highly trained workforce. At minimum, the recommendations must include provisions addressing the following:

(i) Ways to better align the technology transformation, research, and high-demand degree production activities of higher education institutions with industry spending to bolster increased development of a high-technology industry within the state, including:

(A) Developing and integrating technology in new or enhanced products and services, and launching those products and services in sustainable businesses in Washington state;

(B) Expanding the high-technology research and development activities at higher education institutions in a manner that will support the development and commercialization of technology into new products, processes, applications, materials, or services; and

(C) Expanding and improving the high-demand degree programs offered at higher education institutions in a manner that supports increased numbers and efficiency of high-demand degrees produced.

(ii) The design, size, and scope of high-technology research and development tax preference programs after October 1, 2015.

(b) In developing these recommendations, the work group must examine current resources devoted to high-technology research and

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development tax preferences and determine the best mix of funding to keep the state's high-technology research and development industry competitive and to provide a highly trained workforce to support the industry.

(c) The work group must submit its proposal to the governor and fiscal committees of the legislature by December 1, 2014.

(3) This section expires January 1, 2015.

**Sec. 5.** RCW 82.08.02565 and 2011 c 23 s 2 are each amended to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales to a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to sales to a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(b) Sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department by rule. The seller must retain a copy of the certificate for the seller's files.

(2) For purposes of this section and RCW 82.12.02565:

(a) "Machinery and equipment" means industrial fixtures, devices, and support facilities, and tangible personal property that becomes an ingredient or component thereof, including repair parts and replacement parts. "Machinery and equipment" includes pollution control equipment installed and used in a manufacturing operation, testing operation, or research and development operation to prevent air pollution, water pollution, or contamination that might otherwise result from the manufacturing operation, testing operation, or research and development operation. "Machinery and equipment" also includes digital goods.

(b) "Machinery and equipment" does not include:

(i) Hand-powered tools;

(ii) Property with a useful life of less than one year;

(iii) Buildings, other than machinery and equipment that is permanently affixed to or becomes a physical part of a building; and

(iv) Building fixtures that are not integral to the manufacturing operation, testing operation, or research and development operation that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.

(c) Machinery and equipment is "used directly" in a manufacturing operation, testing operation, or research and development operation if the machinery and equipment:

(i) Acts upon or interacts with an item of tangible personal property;

(ii) Conveys, transports, handles, or temporarily stores an item of tangible personal property at the manufacturing site or testing site;

(iii) Controls, guides, measures, verifies, aligns, regulates, or tests tangible personal property at the site or away from the site;

(iv) Provides physical support for or access to tangible personal property;

(v) Produces power for, or lubricates machinery and equipment;

(vi) Produces another item of tangible personal property for use in the manufacturing operation, testing operation, or research and development operation;

(vii) Places tangible personal property in the container, package, or wrapping in which the tangible personal property is normally sold or transported; or

(viii) Is integral to research and development as defined in RCW 82.63.010.

(d) "Manufacturer" means a person that qualifies as a manufacturer under RCW 82.04.110. "Manufacturer" also includes a person that prints newspapers or other materials.

(e) "Manufacturing" means only those activities that come within the definition of "to manufacture" in RCW 82.04.120 and are taxed as manufacturing or processing for hire under chapter 82.04 RCW, or would be taxed as such if such activity were conducted in this state or if not for an exemption or deduction. "Manufacturing" also includes printing newspapers or other materials. An activity is not taxed as manufacturing or processing for hire under chapter 82.04 RCW if the activity is within the purview of chapter 82.16 RCW.

(f) "Manufacturing operation" means the manufacturing of articles, substances, or commodities for sale as tangible personal property. A manufacturing operation begins at the point where the raw materials enter the manufacturing site and ends at the point where the processed material leaves the manufacturing site. With respect to the production of class A or exceptional quality biosolids by a wastewater treatment facility, the manufacturing operation begins at the point where class B biosolids undergo additional processing to achieve class A or exceptional quality standards. Notwithstanding anything to the contrary in this section, the term also includes that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the preparation of food products on the premises of a person selling food products at retail.

(g) "Cogeneration" means the simultaneous generation of electrical energy and low-grade heat from the same fuel.

(h) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010 by a manufacturer or processor for hire, if the research and development is integral to the buyer's development of prewritten computer software for sale as a product or a service described in RCW 82.04.050(6)(b), or the buyer's manufacturing operation. For purposes of this section and RCW 82.12.02565, persons engaged in the development of prewritten computer software that is not transferred to purchasers by means of a tangible storage media are deemed to be manufacturers.

(i) "Testing" means activities performed to establish or determine the properties, qualities, and limitations of tangible personal property.

(j) "Testing operation" means the testing of tangible personal property for a manufacturer or processor for hire. A testing operation begins at the point where the tangible personal property enters the testing site and ends at the point where the tangible personal property leaves the testing site. The term also includes the testing of tangible personal property for use in that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the testing of tangible personal property for use in the production of electricity by a light and power business as defined in RCW 82.16.010 or the preparation of food products on the premises of a person selling food products at retail.

(3) It is the intent of the legislature that this tax preference is being amended to correct a technical inconsistency, and these corrections are not intended to create a new or expanded tax preference under RCW 82.32.805."

#### MOTION

Senator Hasegawa moved that the following amendment by Senator Hasegawa to the striking amendment be adopted:

On page 1, line 29, after "programs" strike "," and insert "(;)"

On page 1, line 29, after "jobs" insert "have increased in Washington state by ten percent"

On page 2, line 1, after "development" strike ", have increased" and insert "(~~have increased~~)"

On page 3, line 7, after "(3)" insert "(a)"

On page 3, beginning on line 12, insert "(b) The credit may not be assigned to persons domiciled outside of Washington state or for research and development conducted by persons outside of Washington state."

On page 4, line 6, after "including" insert "qualifying"

On page 4, beginning on line 17, insert "(d) "Qualifying wages" means wages for full time employees who perform research and development. Any employee performing research and development who is hired after the effective date of this section must be a Washington resident."

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

Senator Hasegawa spoke in favor of adoption of the amendment to the striking amendment.

Senator Liias spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Hasegawa on page 1, line 29 to the striking amendment to Substitute Senate Bill No. 6430.

The motion by Senator Hasegawa failed and the amendment to the striking amendment was not adopted by voice vote.

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

Senator Chase spoke against adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Liias and Hill to Substitute Senate Bill No. 6430.

The motion by Senator Liias 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 "development;" strike the remainder of the title and insert "amending RCW 82.04.4452, 82.63.030, and 82.08.02565; creating new sections; and providing expiration dates."

#### MOTION

On motion of Senator Liias, the rules were suspended, Engrossed Substitute Senate Bill No. 6430 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Liias and Hill spoke in favor of passage of the bill.

Senators Chase, Hasegawa, Nelson, Rolfes, McAuliffe and McCoy spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6430.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6430 and the bill passed the

Senate by the following vote: Yeas, 36; Nays, 13; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Cleveland, Dammeier, Dansel, Eide, Ericksen, Fain, Frockt, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, King, Kohl-Welles, Liias, Litzow, Mullet, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Tom

Voting nay: Senators Chase, Conway, Darneille, Fraser, Hasegawa, Keiser, Kline, McAuliffe, McCoy, Nelson, Pedersen, Ranker and Rolfes

ENGROSSED SUBSTITUTE SENATE BILL NO. 6430, 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

SENATE BILL NO. 6478, by Senators Hill and Hargrove

Streamlining forest and fish agreement-related programs providing funding with accountability.

#### MOTION

On motion of Senator Hill, Substitute Senate Bill No. 6478 was substituted for Senate Bill No. 6478 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Hill moved that the following amendment by Senator Hill be adopted:

On page 11, line 8, after "up to" strike "one" and insert "two"

On page 11, line 11, after "section." insert "All funds for the reviews required in subsection (4) of this section must be spent out of the forest and fish support account created in RCW 76.09.405."

On page 11, line 13, after "no later than" strike "October" and insert "July"

On page 11, at the beginning of line 14, strike "2016" and insert "2017"

Senator Hill spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Hill on page 11, line 8 to Substitute Senate Bill No. 6478.

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

#### MOTION

On motion of Senator Hill, the rules were suspended, Engrossed Substitute Senate Bill No. 6478 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hill, Hargrove and Sheldon spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6478.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6478 and the bill passed the

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Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

At 3:38 p.m., on motion of Senator Fain, the Senate adjourned until 9:00 a.m. Wednesday, March 12, 2014.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dandel, Darneille, Eide, Ericksen, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Keiser, King, Kline, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Tom

BRAD OWEN, President of the Senate

HUNTER G. GOODMAN, Secretary of the Senate

ENGROSSED SUBSTITUTE SENATE BILL NO. 6478, 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





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