FIFTY NINTH DAY

MORNING SESSION

Senate Chamber, Olympia, Wednesday, March 11, 2015

The Senate was called to order at 10:00 o'clock a.m. by the President Pro Tempore, Senator Roach presiding. The Secretary called the roll and announced to the President Pro Tempore that all Senators were present with the exception of Senator Hobbs.

The Sergeant at Arms Color Guard consisting of Pages Rahul Chandra and Natalie Eldridge, presented the Colors. Senator Fraser 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 Fain, the Senate advanced to the fourth order of business.

MESSAGE FROM THE HOUSE

March 10, 2015

MR. PRESIDENT:

The House has passed: HOUSE BILL NO. 1022, SECOND SUBSTITUTE HOUSE BILL NO. 1118, HOUSE BILL NO. 1232, SUBSTITUTE HOUSE BILL NO. 1283, SUBSTITUTE HOUSE BILL NO. 1337, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1368, HOUSE BILL NO. 1389, SUBSTITUTE HOUSE BILL NO. 1430, HOUSE BILL NO. 1465, ENGROSSED HOUSE BILL NO. 1513, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1546, HOUSE BILL NO. 1605, HOUSE BILL NO. 1647, SUBSTITUTE HOUSE BILL NO. 1676, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1761, SUBSTITUTE HOUSE BILL NO. 1830, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1850,

SUBSTITUTE HOUSE BILL NO. 1851, HOUSE BILL NO. 2010, SUBSTITUTE HOUSE BILL NO. 2017, ENGROSSED SUBSTITUTE HOUSE BILL NO. 2093, SUBSTITUTE HOUSE BILL NO. 2107 and the same are herewith transmitted.

BERNARD DEAN, Deputy Chief Clerk

MESSAGE FROM THE HOUSE

March 10, 2015

MR. PRESIDENT: The House has passed: ENGROSSED HOUSE BILL NO. 1187,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1320,

ENGROSSED HOUSE BILL NO. 1943 and the same are herewith transmitted.

BERNARD DEAN, Deputy Chief Clerk

MESSAGE FROM THE HOUSE

March 10, 2015

MR. PRESIDENT: The House has passed: ENGROSSED SUBSTITUTE HOUSE BILL NO. 1420, SUBSTITUTE HOUSE BILL NO. 1551, SUBSTITUTE HOUSE BILL NO. 1564, HOUSE BILL NO. 1620, HOUSE BILL NO. 1704, HOUSE BILL NO. 1771. SUBSTITUTE HOUSE BILL NO. 1790, HOUSE BILL NO. 1804, ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1807. ENGROSSED SUBSTITUTE HOUSE BILL NO. 1808, HOUSE BILL NO. 1817, HOUSE BILL NO. 1821, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1844, ENGROSSED SUBSTITUTE HOUSE BILL NO. 1980, SECOND SUBSTITUTE HOUSE BILL NO. 2041, ENGROSSED HOUSE BILL NO. 2084 and the same are herewith transmitted.

BERNARD DEAN, Deputy Chief Clerk

MESSAGE FROM THE HOUSE

March 10, 2015

MR. PRESIDENT: The House has passed: SUBSTITUTE HOUSE BILL NO. 1651, HOUSE BILL NO. 1720, SUBSTITUTE HOUSE BILL NO. 1730, HOUSE BILL NO. 1918, SECOND SUBSTITUTE HOUSE BILL NO. 2063 and the same are herewith transmitted.

BERNARD DEAN, Deputy Chief Clerk

MOTION

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

MOTION

Senator Frockt moved adoption of the following resolution:

SENATE RESOLUTION 8635

By Senators Frockt, Jayapal, Keiser, and Cleveland

WHEREAS, Human Papillomavirus, or HPV, is so common that nearly all sexually active men and women will get it in their lives; and

WHEREAS, HPV causes 90% of cervical cancers, and in the United States 33% of those cancers are fatal; and

WHEREAS, HPV vaccination prevents nearly 100% of the precancerous cervical cell changes caused by HPV types 16 and 18, and is only one of two vaccines that can prevent cancer; and

WHEREAS, HPV causes nearly 27,000 total cases of cancer every year in both men and women, and more than 6,000 people are likely to die this year of HPV-related cancers in the United States; and

WHEREAS, Virtually all HPV-related cancer deaths are preventable through the use of vaccines; and

WHEREAS, Low vaccination rates mean more than six out of every 10 adolescent females and more than eight out of every 10 adolescent males in the United States are still at risk for HPV-related cancers while safe, effective vaccines go unused; and

WHEREAS, The Group Health Foundation is a leader in the effort to protect children from cancer through a campaign to encourage vaccinations by expanding public awareness, partnering with public health organizations, and reaching out directly to parents; and

WHEREAS, The success of these and other efforts are critical to saving many thousands of lives;

NOW, THEREFORE, BE IT RESOLVED, That the Senate of the State of Washington recognize the need for HPV awareness, promote educational activities aimed at increasing knowledge of the virus, and applaud and support the efforts of the Group Health Foundation to keep all Washingtonians healthy and cancer-free.

Senators Frockt, Darneille, Fraser, Habib, Chase and Rolfes spoke in favor of adoption of the resolution.

The President Pro Tempore declared the question before the Senate to be the adoption of Senate Resolution No. 8635.

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

INTRODUCTION OF SPECIAL GUESTS

The President Pro Tempore welcomed and introduced representatives of organizations campaigning to increase awareness of human papillomavirus (HPV) immunization including: Dr. Kathy Lofy, State Health Officer, Washington State Department of Health (DOH); Ms. Michele Roberts, Office Director, Office of Immunization and Child Profile, Prevention and Community Health Division, DOH; Ms. Katie Kolan, Director of Legislative and Regulatory Affairs, Washington State Medical Association (WSMA); Ms. Theresa Tamura, Executive Director, Philanthropy & Community Engagement, Group Health Cooperative; Mr. Chris Marr, government affairs consultant, Group Health Cooperative and former state senator, 6th District; Ms. Amber Ulvenes, Group Health Cooperative; Ms. Mary McHale, Government Relations Director, and Ms. Erin Dziedizic, American Cancer Society Cancer Action Network; Ms. Pamela Crone and Ms. Nancy Sapiro, Legal Voice; and Ms. Jennifer Allen, Planned Parenthood who were present in the gallery and recognized by the senate.

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

<u>SHB 1135</u> by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Harris, Jinkins and Gregerson)

AN ACT Relating to education-based practice remediation for licensed health and health-related professions; and adding a new section to chapter 18.130 RCW.

Referred to Committee on Health Care.

<u>SHB 1183</u> by House Committee on Health Care & Wellness (originally sponsored by Representatives Harris and Cody)

AN ACT Relating to radiology benefit managers; and adding a new chapter to Title 19 RCW.

Referred to Committee on Health Care.

<u>ESHB 1186</u> by House Committee on Health Care & Wellness (originally sponsored by Representatives Clibborn, Springer, Johnson, Senn, Moeller, McBride, Walkinshaw, Caldier and Fey)

AN ACT Relating to notifications to patients in observation status at hospitals; and adding a new section to chapter 70.41 RCW.

Referred to Committee on Health Care.

HB 1307 by Representatives Harris, Tharinger, Walkinshaw and Kagi

AN ACT Relating to enforcement standards for residential services and support providers; amending RCW 71A.12.270; adding a new section to chapter 71A.12 RCW; creating a new section; recodifying RCW 71A.12.270; and prescribing penalties.

Referred to Committee on Health Care.

ESHB 1349 by House Committee on State Government (originally sponsored by Representative S. Hunt)

AN ACT Relating to requesting public records for the purpose of obtaining exempted information relating to employment and licensing; and amending RCW 42.56.250.

Referred to Committee on Commerce & Labor.

E2SHB 1390 by House Committee on Appropriations (originally sponsored by Representatives Goodman, Holy, Jinkins, Kagi, Moscoso, Ormsby and Pollet)

AN ACT Relating to legal financial obligations; amending RCW 10.82.090, 3.50.100, 3.62.040, 35.20.220, 10.01.160, 10.01.170, 10.01.180, 10.46.190, 10.64.015, 9.92.070, 10.73.160, 9.94A.6333, 9.94A.760, 9.94B.040, 3.62.085, 36.18.020, and 43.43.7541; and reenacting and amending RCW 3.62.020.

Referred to Committee on Law & Justice.

<u>HB 1397</u> by Representatives Holy, Bergquist, Appleton, Van Werven and McBride

FIFTY NINTH DAY, MARCH 11, 2015

AN ACT Relating to financial reporting by elected and appointed officials, candidates, and appointees; and amending RCW 42.17A.120 and 42.17A.710.

Referred to Committee on Government Operations & Security.

ESHB 1448 by House Committee on Judiciary (originally sponsored by Representatives Riccelli, Holy, Parker, Ormsby, Caldier, Hayes, Jinkins, Walkinshaw, Gregerson, Appleton, Ryu, McBride and Shea)

AN ACT Relating to procedures for responding to reports of threatened or attempted suicide; amending RCW 71.05.120; adding a new section to chapter 71.05 RCW; and creating new sections.

Referred to Committee on Human Services, Mental Health & Housing.

E2SHB 1450 by House Committee on Appropriations (originally sponsored by Representatives Jinkins, Rodne, Walkinshaw, Harris, Cody, Goodman, Senn, Walsh, Riccelli, Robinson, Orwall, Moeller, Gregerson, Van De Wege, Ormsby, Clibborn, McBride, Tharinger, Kagi and Stanford)

AN ACT Relating to involuntary outpatient mental health treatment; amending RCW 71.05.150, 71.05.156, 71.05.212, 71.05.230, 71.05.240, 71.05.245, 71.05.280, 71.05.290, 71.05.300, 71.05.320, 71.05.340, 71.05.730, and 71.05.730; reenacting and amending RCW 71.05.020, 71.05.020, and 71.05.300; adding a new section to chapter 71.05 RCW; creating a new section; providing an effective date; and providing an expiration date.

Referred to Committee on Human Services, Mental Health & Housing.

<u>E2SHB 1471</u> by House Committee on Appropriations (originally sponsored by Representatives Cody, Schmick, Harris, Van De Wege, DeBolt, Hurst, Kretz, Moeller, Jinkins and Tharinger)

AN ACT Relating to mitigating barriers to patient access to care resulting from health insurance contracting practices; adding a new section to chapter 41.05 RCW; adding a new section to chapter 48.43 RCW; and providing an effective date.

Referred to Committee on Health Care.

<u>SHB 1480</u> by House Committee on Transportation (originally sponsored by Representatives Holy, Riccelli, Orcutt, Haler, Shea, Johnson, Clibborn, Ormsby, Condotta, Tharinger and McCaslin)

AN ACT Relating to the creation of intermittent-use trailer license plates; amending RCW 46.16A.110, 46.18.277, and 46.19.060; reenacting and amending RCW 46.17.220 and 46.16A.200; adding a new section to chapter 46.18 RCW; adding a new section to chapter 46.04 RCW; prescribing penalties; and providing an effective date.

Referred to Committee on Transportation.

<u>E2SHB 1485</u> by House Committee on Appropriations (originally sponsored by Representatives Haler, Cody, Schmick, Shea, Zeiger, Tarleton, Tharinger and Riccelli) 2015 REGULAR SESSION AN ACT Relating to family medicine residencies in health professional shortage areas; amending RCW 70.112.020 and 70.112.060; reenacting and amending RCW 70.112.010; adding new sections to chapter 70.112 RCW; and creating a new section.

Referred to Committee on Health Care.

<u>E2SHB 1491</u> by House Committee on Appropriations (originally sponsored by Representatives Kagi, Walsh, Hunter, Johnson, Ormsby, MacEwen, Senn, Magendanz, Farrell, Hayes, Ortiz-Self, Hudgins, Appleton, Fitzgibbon, S. Hunt, Ryu, Jinkins, Bergquist, Goodman, Tharinger and Riccelli)

AN ACT Relating to improving quality in the early care and education system; amending RCW 43.215.100, 43.215.135, 43.215.1352, 43.215.425, 43.215.415, 43.215.455, 43.215.020, and 43.215.090; reenacting and amending RCW 43.215.010; adding new sections to chapter 43.215 RCW; creating new sections; and repealing 2013 2nd sp.s. c 16 s 2 (uncodified).

Referred to Committee on Ways & Means.

<u>SHB 1496</u> by House Committee on Labor (originally sponsored by Representatives Sells, Gregerson and Ormsby)

AN ACT Relating to addressing vocational rehabilitation by making certain recommendations from the vocational rehabilitation subcommittee permanent and creating certain incentives for employers to employ injured workers with permanent disabilities; amending RCW 51.16.120, 51.32.095, and 51.44.040; reenacting and amending RCW 51.32.099; adding a new section to chapter 51.32 RCW; creating new sections; and repealing 2013 c 331 s 3, 2011 c 291 s 3, and 2013 c 331 s 6 (uncodified).

Referred to Committee on Commerce & Labor.

<u>SHB 1503</u> by House Committee on Judiciary (originally sponsored by Representatives Jinkins, Ryu, Tharinger, DeBolt, Senn, Robinson, Harris, Cody, Riccelli, Walsh, Sawyer and Moeller)

AN ACT Relating to medical liens; amending RCW 60.44.020 and 60.44.060; and reenacting and amending RCW 19.16.100.

Referred to Committee on Law & Justice.

<u>SHB 1505</u> by House Committee on Early Learning & Human Services (originally sponsored by Representatives Goodman, Kagi, Appleton, Jinkins and Tharinger)

AN ACT Relating to juvenile restorative justice programs; and amending RCW 13.40.020.

Referred to Committee on Human Services, Mental Health & Housing.

<u>HB 1531</u> by Representatives Tharinger, Harris, Jinkins, Cody, Caldier, Kagi, Wylie and Senn

AN ACT Relating to removing expiration dates for training and certification exemptions for certain long-term care workers; and amending RCW 18.88B.041, 74.39A.076, 74.39A.341, and 18.88B.035.

Referred to Committee on Health Care.

<u>SHB 1536</u> by House Committee on Judiciary (originally sponsored by Representatives Klippert, Cody,

Goodman, Muri, Stokesbary, Haler, Hayes, Tharinger and Wylie) AN ACT Relating to the timing of emergency detentions and assessments under the involuntary treatment act; and reenacting and amending RCW 71.05.153.

Referred to Committee on Human Services, Mental Health & Housing.

HB 1545 by Representatives Robinson, Johnson and Cody AN ACT Relating to the safe practice of public health nurses dispensing certain medications; and adding a new section to chapter 70.05 RCW.

Referred to Committee on Health Care.

SHB 1559 by House Committee on Higher Education (originally sponsored by Representatives Riccelli, Johnson, Wylie, Parker, MacEwen, Harris, Rodne, Schmick, Short, Pettigrew, Ormsby, Robinson, Van De Wege, Klippert, Reykdal, Sawyer, Holy, Walsh, S. Hunt, Kretz, Vick, Gregerson, McCaslin, Pike, Scott, Smith, Lytton, Hudgins, Ryu, Condotta, Sells, Moscoso, Hurst, Santos, Buys, Fey, Takko, Blake, Dent, Nealey, Kilduff, Chandler, Wilcox, Haler, Magendanz, Peterson, Ortiz-Self, Appleton, Manweller, Shea, Senn, Hayes, Kochmar, Hargrove, Muri, Stanford, Fagan, Griffey, Van Werven, Wilson, Harmsworth, Kirby, Tharinger, McBride and Goodman)

AN ACT Relating to higher education programs at Washington State University and the University of Washington; amending RCW 28B.10.115 and 28B.20.060; and adding a new section to chapter 28B.30 RCW.

Referred to Committee on Higher Education.

<u>HB 1561</u> by Representatives Hudgins, Scott, Stanford, Magendanz, Ormsby, Smith, S. Hunt and Wylie

AN ACT Relating to consideration of information technology security matters; and amending RCW 42.30.110.

Referred to Committee on Government Operations & Security.

<u>HB 1599</u> by Representatives Rodne, Jinkins and Wylie AN ACT Relating to secure facilities for the criminally insane; and amending RCW 10.77.091.

Referred to Committee on Human Services, Mental Health & Housing.

<u>SHB 1617</u> by House Committee on Judiciary (originally sponsored by Representatives Rodne, Goodman and Jinkins)

AN ACT Relating to the courts' consultation of the judicial information system before granting orders; and adding a new section to chapter 2.28 RCW.

Referred to Committee on Law & Justice.

HB 1627 by Representative Schmick

AN ACT Relating to expanding the existing prohibition on unlawfully entering the land of another to hunt or to retrieve hunted wildlife under Title 77 RCW to include entering the land of another to collect wildlife parts; amending RCW 77.15.435; and prescribing penalties. Referred to Committee on Natural Resources & Parks.

HB 1652 by Representatives Cody and Harris

AN ACT Relating to medicaid managed health care system payments for health care services provided by nonparticipating providers; and amending RCW 74.09.522.

Referred to Committee on Ways & Means.

ESHB 1713 by House Committee on Judiciary (originally sponsored by Representatives Cody, Harris, Jinkins, Moeller, Tharinger, Appleton, Ortiz-Self and Pollet)

AN ACT Relating to integrating the treatment systems for mental health and chemical dependency; amending RCW 70.96A.020, 70.96A.140, 70.96A.145, 71.05.025, 71.05.026, 71.05.050, 71.05.120, 71.05.132, 71.05.150, 71.05.154, 71.05.156, 71.05.157, 71.05.160, 71.05.170, 71.05.180, 71.05.190, 71.05.195, 71.05.210, 71.05.212, 71.05.214, 71.05.215, 71.05.220, 71.05.230, 71.05.235, 71.05.240, 71.05.280, 71.05.290, 71.05.300, 71.05.320, 71.05.325, 71.05.340, 71.05.360, 71.05.380, 71.05.435, 71.05.530, 71.05.560, 71.05.700, 71.05.705, 71.34.020, 71.34.305, 71.34.375, 71.34.385, 71.34.400, 71.34.410, 71.34.500, 71.34.520, 71.34.600, 71.34.630, 71.34.650, 71.34.660, 71.34.700, 71.34.710, 71.34.720, 71.34.740, 71.34.750, 71.34.760, 71.34.780, 9.41.040, 9.41.047, 9.41.075, 9.41.097, 4.24.558, 5.60.060, 9.41.280, 9.95.143, 10.77.010, 10.77.025, 10.77.027, 10.77.060, 10.77.084, 10.77.088, 11.92.190, 13.32A.044, 18.83.110, 43.20A.025, 70.48.475, 70.97.010, 71.05.620, 71.05.660, 71.24.045, 71.24.330, 71.32.080, 71.32.140, 71.32.150, 72.09.315, 72.09.370, 74.13.033, and 74.50.070; reenacting and amending RCW 70.96A.020, 71.05.020, 71.05.153, 71.34.730, 10.77.065, 70.02.010, 70.02.230, and 71.24.025; adding new sections to chapter 71.05 RCW; creating a new section; repealing RCW 70.96A.095, 70.96A.096, 70.96A.097, 70.96A.110, 70.96A.120, 70.96A.140, 70.96A.141, 70.96A.142, 70.96A.145, 70.96A.148, 70.96A.157, 70.96A.155, 70.96A.160, 70.96A.180, 70.96A.230, 70.96A.235, 70.96A.245, 70.96A.250, 70.96A.240, 70.96A.255, 70.96A.260, 70.96A.265, 70.96B.010, 70.96B.020. 70.96B.030, 70.96B.040, 70.96B.045, 70.96B.050, 70.96B.070, 70.96B.060, 70.96B.080, 70.96B.090, 70.96B.100, 70.96B.110, 70.96B.120, 70.96B.130, 70.96B.140, 70.96B.150, 70.96B.800, and 71.05.032; providing effective dates; and providing expiration dates.

Referred to Committee on Human Services, Mental Health & Housing.

EHB 1729 by Representatives Pettigrew, Magendanz, Kagi, Walsh, Van De Wege, DeBolt, Jinkins, Goodman, Dunshee, Hudgins, Wylie, Cody, Sawyer, Senn, Moeller, Tarleton and Santos

AN ACT Relating to the administration of a statewide network of community-based domestic violence victim services by the department of social and health services; amending RCW 70.123.010, 70.123.020, 70.123.030, 70.123.040, 70.123.070, 70.123.075, 70.123.080, 70.123.090, 70.123.110, 70.123.150, 36.18.010, 36.18.016, 43.235.020, and 43.235.040; and repealing RCW 70.123.050 and 70.123.130.

Referred to Committee on Human Services, Mental Health & Housing.

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<u>HB 1732</u> by Representatives Reykdal, Riccelli, Ryu, S. Hunt, Peterson, Ormsby, Stanford, Goodman, Cody, Tharinger, Ortiz-Self, Bergquist, Fitzgibbon, Farrell, Sullivan, Dunshee, Moscoso, Appleton, Sells, Pollet, Robinson, Walkinshaw, Jinkins, Senn, Wylie, Lytton, Hudgins, Tarleton, Kagi, Moeller, Sawyer, Fey, Pettigrew, Gregerson, Orwall, Santos, Kirby, McBride, Takko, Gregory, Clibborn, Springer, Van De Wege, Blake, Kilduff and Hansen

AN ACT Relating to meal and rest breaks and mandatory overtime for certain health care employees; amending RCW 49.28.130 and 49.28.140; and adding a new section to chapter 49.12 RCW.

Referred to Committee on Commerce & Labor.

<u>SHB 1737</u> by House Committee on Appropriations (originally sponsored by Representatives Orcutt, Santos, Magendanz, Bergquist, Ortiz-Self, Kilduff, Kagi, Zeiger, Tarleton, Muri, Condotta and Pollet)

AN ACT Relating to the availability of retired teachers as substitutes; adding a new section to chapter 41.32 RCW; and creating a new section.

Referred to Committee on Ways & Means.

SHB 1738 by House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hayes, Fey, Hargrove, Farrell, Zeiger, Moscoso, Muri, Condotta, Buys and Harmsworth)

AN ACT Relating to marine, off-road recreational vehicle, and snowmobile fuel tax refunds based on actual fuel taxes paid; amending RCW 46.09.520, 46.10.530, and 79A.25.070; and creating a new section.

Referred to Committee on Transportation.

ESHB 1740 by House Committee on Appropriations (originally sponsored by Representatives Appleton and Ryu)

AN ACT Relating to political subdivisions purchasing health coverage through the public employees' benefits board program; and amending RCW 41.04.205 and 41.05.011.

Referred to Committee on Health Care.

<u>ESHB 1762</u> by House Committee on Health Care & Wellness (originally sponsored by Representatives Riccelli, Schmick, Jinkins, Harris, Cody, Van De Wege, Robinson and Tharinger)

AN ACT Relating to enhancing the relationship between a health insurer and a contracting health care provider; adding a new section to chapter 48.20 RCW; adding a new section to chapter 48.21 RCW; adding a new section to chapter 48.44 RCW; and adding a new section to chapter 48.46 RCW.

Referred to Committee on Health Care.

<u>SHB 1800</u> by House Committee on Early Learning & Human Services (originally sponsored by Representatives Hargrove, Kagi and Walsh)

AN ACT Relating to filing a petition seeking termination of parental rights; and reenacting and amending RCW 13.34.138.

Referred to Committee on Human Services, Mental Health & Housing.

E2SHB 1825 by House Committee on Appropriations (originally sponsored by Representatives Kilduff, Muri, Gregory, Haler, Riccelli, Walkinshaw, Zeiger and McBride)

AN ACT Relating to modifying the definition of resident student to comply with federal requirements established by the veterans access, choice, and accountability act of 2014; amending RCW 28B.15.012; providing an effective date; and declaring an emergency.

Referred to Committee on Ways & Means.

<u>SHB 1874</u> by House Committee on Health Care & Wellness (originally sponsored by Representatives Tharinger, Cody and Riccelli)

AN ACT Relating to the requirements of allopathic physician licensure; amending RCW 18.71.050, 18.71.055, and 18.71.095; adding a new section to chapter 18.71 RCW; and repealing RCW 18.71.051.

Referred to Committee on Health Care.

<u>HB 1884</u> by Representatives Vick, Bergquist, Hayes, Riccelli, Orcutt, Wilson and Pike

AN ACT Relating to the definition of a one-wheeled self-balancing device; amending RCW 46.04.1695; and creating a new section.

Referred to Committee on Transportation.

EHB 1890 by Representatives Schmick and Cody AN ACT Relating to a second-party payment process for paying insurers; adding a new section to chapter 48.43 RCW; and creating a new section.

Referred to Committee on Health Care.

<u>2SHB 1916</u> by House Committee on Appropriations (originally sponsored by Representatives Cody and Harris)

rightany sponsored by Representatives Cody and Harris)
AN ACT Relating to integrating administrative provisions for
chemical dependency and mental health; amending RCW
71.24.035, 70.96A.050, 71.24.037, 70.96A.090, 71.24.385,
70.96A.350, 70.96A.035, 70.96C.010, 70.96A.037,
70.96A.047, 70.96A.055, 70.96A.087, 70.96A.170,
70.96A.180, 70.96A.095, 70.96A.096, 70.96A.097,
70.96A.235, 70.96A.240, 70.96A.245, 70.96A.250,
70.96A.265, 70.96A.400, 70.96A.800, 70.96A.905,
71.24.300, 71.24.350, 2.28.170, 9.94A.660, 10.05.020,
10.05.030, 10.05.150, 46.61.5055, and 46.61.5056;
reenacting and amending RCW 71.24.025 and 70.96A.020;
adding new sections to chapter 71.24 RCW; recodifying
RCW 70.96A.035, 70.96A.037, 70.96A.040, 70.96A.043,
70.96A.047, 70.96A.050, 70.96A.055, 70.96A.080,
70.96A.085, 70.96A.090, 70.96A.095, 70.96A.096,
70.96A.097, 70.96A.170, 70.96A.180, 70.96A.230,
70.96A.235, 70.96A.240, 70.96A.245, 70.96A.250,
70.96A.255, 70.96A.260, 70.96A.265, 70.96A.350,
70.96A.400, 70.96A.410, 70.96A.420, 70.96A.430,
70.96A.500, 70.96A.510, 70.96A.520, 70.96A.800,
70.96A.905, and 70.96C.010; decodifying RCW
43.135.03901; repealing RCW 70.96A.030, 70.96A.045,
70.96A.060, 70.96A.150, 70.96A.300, 70.96A.310,
70.96A.320, and 70.96A.325; and providing an effective
date.

Referred to Committee on Human Services, Mental Health & Housing.

<u>SHB 1956</u> by House Committee on Health Care & Wellness (originally sponsored by Representative Moeller)

AN ACT Relating to independent review organizations; and amending RCW 48.43.535.

Referred to Committee on Health Care.

<u>SHB 1966</u> by House Committee on Finance (originally sponsored by Representatives Fey, Zeiger, Farrell, Fitzgibbon, Nealey, Walsh and Moscoso)

AN ACT Relating to exempting transit agencies that manufacture liquid natural gas or compressed natural gas for the purposes of providing public transportation from the definition of manufacturing in respect to business and occupation tax; and amending RCW 82.04.120.

Referred to Committee on Ways & Means.

<u>SHB 1967</u> by House Committee on Appropriations (originally sponsored by Representatives Cody, Schmick and Jinkins)

AN ACT Relating to creating flexibility in health care coverage by seeking federal waivers; and creating new sections.

Referred to Committee on Health Care.

<u>SHB 2012</u> by House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hargrove, Hayes, Pike, Zeiger, Muri and Wilson)

AN ACT Relating to the department of transportation implementation of practical design; adding a new section to chapter 47.01 RCW; and creating a new section.

Referred to Committee on Transportation.

SHB 2085 by House Committee on Public Safety (originally sponsored by Representatives Goodman and Ryu) AN ACT Relating to providing alternatives for penalties stemming from traffic infractions; amending RCW 46.63.060, 46.63.110, and 46.63.120; adding a new section to chapter 46.04 RCW; and creating a new section.

Referred to Committee on Law & Justice.

<u>HB 2140</u> by Representatives Kagi, Orwall, Johnson, Walsh, Sells, Clibborn, Tarleton, Appleton, Ortiz-Self, Hargrove, Zeiger, Senn, Ormsby, Kilduff, Walkinshaw and Goodman

AN ACT Relating to good cause exceptions during permanency hearings; reenacting and amending RCW 13.34.145; providing and effective date; and declaring an emergency.

Referred to Committee on Human Services, Mental Health & Housing.

 $\underline{\text{HB}\ 2181}$ by Representatives Schmick, Clibborn, Orcutt and Scott

AN ACT Relating to the maximum speed limit on highways; amending RCW 46.61.410; and creating a new section.

Referred to Committee on Transportation.

MOTION

Without objection, upon the declaration of the President Pro Tempore, all measures listed on the Introduction and First Reading report were referred to the committees as designated.

MOTION

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

MOTION

Senator Rolfes moved, pursuant to Senate Rule 18, that Senate Bill No. 5303, an act creating the Washington academic, innovation and mentoring (AIM) program, be made a special order of business to be considered at 4:55 p.m.

Senator Fain spoke against the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Rolfes that Senate Bill No. 5303 be made a special order of business.

The motion by Senator Rolfes failed by voice vote and a special order of business was not made.

MOTION TO LIMIT DEBATE

On motion of Senator Fain and without objection, pursuant to Rule 29, debate was limited through the remainder of the day.

REMARKS BY SENATOR ROLFES

Senator Rolfes: "Purely, I stood in order to say we agree with that rule." [Laughter]

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator King moved that Pat Kohler, Gubernatorial Appointment No. 9081, be confirmed as a Director of the Department of Licensing.

Senators King and Conway spoke in favor of passage of the motion.

MOTION

On motion of Senator Hatfield, Senator Hobbs was excused.

MOTION

On motion of Senator Mullet, Senator Liias was excused.

APPOINTMENT OF PAT KOHLER

The President Pro Tempore declared the question before the Senate to be the confirmation of Pat Kohler, Gubernatorial Appointment No. 9081, as Director of the Department of Licensing.

The Secretary called the roll on the confirmation of Pat Kohler, Gubernatorial Appointment No. 9081, as a Director of the Department of Licensing and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

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

Excused: Senator Hobbs

Pat Kohler, Gubernatorial Appointment No. 9081, having received the constitutional majority was declared confirmed as a Director of the Department of Licensing.

MOTION

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

SECOND READING

SENATE BILL NO. 5419, by Senators Litzow, McAuliffe, Rivers, Fain, Mullet, Frockt, Hill, Dammeier, Rolfes, Kohl-Welles and Chase

Enacting the student user privacy in education rights act.

The measure was read the second time.

MOTION

Senator Litzow moved that the following striking amendment by Senator Litzow be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. SHORT TITLE. This act may be known and cited as the student user privacy in education rights act or SUPER act.

<u>NEW SECTION.</u> Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "School service" means a web site, mobile application, or online service that: (a) Is designed and marketed primarily for use in a K-12 school; (b) is used at the direction of teachers or other employees of a K-12 school; and (c) collects, maintains, or uses student personal information. A "school service" does not include a web site, mobile application, or online service that is designed and marketed for use by individuals or entities generally, even if also marketed to a United States K-12 school.

(2) "School service provider" means an entity that operates a school service to the extent it is operating in that capacity.

(3) "Student personal information" means information collected through a school service that personally identifies an individual student or other information collected and maintained about an individual student that is linked to information that identifies an individual student.

(4) "Students" means students of K-12 schools in Washington state.

(5) "Targeted advertising" means sending advertisements to a student where the advertisement is selected based on information obtained or inferred from that student's online behavior, usage of applications, or student personal information. It does not include (a) advertising to a student at an online location based upon that student's current visit to that location without the collection and retention of a student's online activities over time or (b) adaptive learning, personalized learning, or customized education.

<u>NEW SECTION.</u> Sec. 3. OBLIGATIONS OF SCHOOL SERVICE PROVIDERS—TRANSPARENCY. (1) School service providers shall provide clear and easy to understand information about the types of student personal information they collect and about how they use and share the student personal information.

(2) School service providers shall provide prominent notice before making material changes to their privacy policies for school services.

(3) School service providers shall facilitate access to and correction of student personal information by students or their parent or guardian either directly or through the relevant educational institution or teacher.

(4) Where the school service is offered to an educational institution or teacher, information required by subsections (1) and (2) of this section may be provided to the educational institution or teacher.

(5) The provisions of this section do not apply to the education data center established under RCW 43.41.400, but do apply to any subcontractors of the education data center.

<u>NEW SECTION.</u> Sec. 4. OBLIGATIONS OF SCHOOL SERVICE PROVIDERS—CHOICE AND CONTROL. (1) School service providers may collect, use, and share student personal information only for purposes authorized by the relevant educational institution or teacher, or with the consent of the student or the student's parent or guardian.

(2) School service providers may not sell student personal information. This prohibition does not apply to the purchase, merger, or other type of acquisition of a school service provider, or any assets of a school service provider by another entity, as long as the successor entity continues to be subject to the provisions of this section with respect to previously acquired student personal information to the extent that the school service provider was regulated by this chapter with regard to its acquisition of student personal information.

(3) School service providers may not use or share any student personal information for purposes of targeted advertising to students.

(4) School service providers may not use student personal information to create a personal profile of a student other than for supporting purposes authorized by the relevant educational institution or teacher, or with the consent of the student or the student's parent or guardian.

(5) School service providers must obtain consent before using student personal information in a manner that is materially inconsistent with the school service provider's privacy policy or school contract for the applicable school service in effect at the time of collection.

(6) The provisions of subsections (1), (2), (4), and (5) of this section may not apply to the use or disclosure of personal information by a school service provider to:

(a) Protect the security or integrity of its web site, mobile application, or online service;

(b) Ensure legal or regulatory compliance or to take precautions against liability;

(c) Respond to or participate in judicial process;

(d) Protect the safety of users or others on the web site, mobile application, or online service;

(e) Investigate a matter related to public safety; or

(f) A subcontractor, if the school service provider: (i) Contractually prohibits the subcontractor from using any student personal information for any purpose other than providing the contracted service to, or on behalf of, the school service provider; (ii) prohibits the subcontractor from disclosing any student personal information provided by the school service provider to

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subsequent third parties unless the disclosure is expressly permitted by (a) through (e) of this subsection or by sections 6 and 7 of this act; and (iii) requires the subcontractor to comply with the requirements of this chapter.

<u>NEW SECTION.</u> Sec. 5. OBLIGATIONS OF SCHOOL SERVICE PROVIDERS—SAFEGUARDS. (1) School service providers must maintain a comprehensive information security program that is reasonably designed to protect the security, privacy, confidentiality, and integrity of student personal information. The information security program should make use of appropriate administrative, technological, and physical safeguards.

(2) School service providers must delete student personal information within a reasonable period of time if the relevant educational institution requests deletion of the data under the control of the educational institution unless:

(a) The school service provider has obtained student consent or the consent of the student's parent or guardian to retain information related to that student; or

(b) The student has transferred to another educational institution and that educational institution has requested that the school service provider retain information related to that student.

<u>NEW SECTION.</u> Sec. 6. ADAPTIVE LEARNING AND CUSTOMIZED EDUCATION. Notwithstanding sections 2 through 7 of this act, nothing in this chapter is intended to prohibit the use of student personal information for purposes of:

(1) Adaptive learning or personalized or customized education;

(2) Maintaining, developing, supporting, improving, or diagnosing the school service provider's web site, mobile application, online service, or application;

(3) Providing recommendations for school, educational, or employment purposes within a school service without the response being determined in whole or in part by payment or other consideration from a third party; or

(4) Responding to a student's request for information or for feedback without the information or response being determined in whole or in part by payment or other consideration from a third party.

<u>NEW SECTION.</u> Sec. 7. This chapter adopts and does not modify existing law regarding consent, including consent from minors and employees on behalf of educational institutions.

<u>NEW SECTION.</u> Sec. 8. This chapter shall not be construed to:

(1) Impose a duty upon a provider of an interactive computer service, as defined in 47 U.S.C. Sec. 230, to review or enforce compliance with this section by third-party content providers;

(2) Apply to general audience internet web sites, general audience mobile applications, or general audience online services even if login credentials created for a school service provider's web site, mobile application, or online service may be used to access those general audience web sites, mobile applications, or online services;

(3) Impede the ability of students to download, export, or otherwise save or maintain their own student data or documents;

(4) Limit internet service providers from providing internet connectivity to schools or students and their families;

(5) Prohibit a school service provider from marketing educational products directly to parents so long as the marketing did not result from use of student personal information obtained by the school service provider through the provision of its web site, mobile application, or online service; or

(6) Impose a duty on a school service provider of an electronic store, gateway, marketplace, or other means of purchasing or downloading software or applications to review or

enforce compliance with this chapter on those applications or software.

<u>NEW SECTION</u> Sec. 9. TRANSITIONAL PROVISIONS. If a school service provider entered into a signed, written contract with an educational institution or teacher before the effective date of this section, the school service provider is not liable for the requirements of sections 2 through 6 of this act with respect to that contract until the next renewal date of the contract.

<u>NEW SECTION.</u> Sec. 10. Sections 1 through 9 and 11 of this act constitute a new chapter in Title 28A RCW.

<u>NEW SECTION.</u> Sec. 11. EFFECTIVE DATE. This act takes effect July 1, 2016."

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senator Litzow to Senate Bill No. 5419.

The motion by Senator Litzow 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 "act;" strike the remainder of the title and insert "adding a new chapter to Title 28A RCW; and providing an effective date."

MOTION

On motion of Senator Litzow, the rules were suspended, Engrossed Senate Bill No. 5419 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Litzow and Rolfes spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5419.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5419 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

ENGROSSED SENATE BILL NO. 5419, 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.

The President, Lt. Governor Brad Owen, assumed the chair.

SECOND READING

SENATE BILL NO. 5583, by Senator Dansel

Providing the fish and wildlife commission with the tools necessary to enact changes to the status of a species.

MOTIONS

On motion of Senator Dansel, Substitute Senate Bill No. 5583 was substituted for Senate Bill No. 5583 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Dansel, the rules were suspended, Substitute Senate Bill No. 5583 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dansel, Baumgartner and Honeyford spoke in favor of passage of the bill.

Senators Ranker and McCoy spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5583.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5583 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Honeyford, King, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Chase, Cleveland, Conway, Darneille, Fraser, Frockt, Habib, Hasegawa, Jayapal, Keiser, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, Pedersen, Ranker and Rolfes

SUBSTITUTE SENATE BILL NO. 5583, 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. 5954, by Senators Braun, Bailey, Hill, Becker, Fain, Miloscia, Parlette, Angel, Schoesler, Brown, Litzow, Warnick, Honeyford, Sheldon, Rivers, Roach and Benton

Reducing tuition.

MOTION

On motion of Senator Braun, Substitute Senate Bill No. 5954 was substituted for Senate Bill No. 5954 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Braun moved that the following striking amendment by Senators Braun and Bailey be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 28B.15.031 and 2012 c 230 s 6 are each amended to read as follows:

(1) The term "operating fees" as used in this chapter shall include the fees, other than building fees, charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station 0

work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, technology and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That ((a minimum of five percent of operating fees shall be retained by the four-year institutions of higher education that increase tuition for resident undergraduate students above assumed tuition increases in the omnibus appropriations act,)) a minimum of four percent of operating fees shall be retained by four-year institutions of higher education ((that do not increase tuition for resident undergraduates above assumed increases in the omnibus appropriations act,)) and a minimum of three and one-half percent of operating fees shall be retained by the community and technical colleges for the purposes of RCW 28B.15.820. At least thirty percent of operating fees required to be retained by the four-year institutions for purposes of RCW 28B.15.820 shall be used only for the purposes of RCW 28B.15.820(10).

(2) In addition to the three and one-half percent of operating fees retained by the institutions under subsection (1) of this section, up to three percent of operating fees charged to students at community and technical college shall be transferred to the community and technical college innovation account for the implementation of the college board's strategic technology plan in RCW 28B.50.515. The percentage to be transferred to the community and technical college innovation account shall be determined by the college board each year but shall not exceed three percent of the operating fees collected each year.

(3) Local operating fee accounts shall not be subject to appropriation by the legislature but shall be subject to allotment procedures by budget program and fiscal year under chapter 43.88 RCW.

Sec. 2. RCW 28B.15.066 and 2003 c 232 s 3 are each amended to read as follows:

((It is the intent of the legislature that:

In making appropriations from the state's general fund to institutions of higher education, each appropriation shall conform to the following:

(1) The appropriation shall not be reduced by the amount of operating fees revenue estimated to be collected from students enrolled at the state funded enrollment level specified in the omnibus biennial operating appropriations act;

(2) The appropriation shall not be reduced by the amount of operating fees revenue collected from students enrolled above the state-funded level specified in the omnibus biennial operating appropriations act; and

(3) The general fund state appropriation shall not be reduced by the amount of operating fees revenue collected as a result of waiving less operating fees revenue than the amounts authorized under RCW 28B.15.910. State general fund appropriations shall not be provided for revenue foregone as a result of or for waivers granted under RCW 28B.15.915.)) (1) Beginning with the 2015-2017 omnibus appropriations act, the legislature shall appropriate to the state board for community and technical colleges and to each of the four-year institutions of higher education an amount that is at least equal to the total state funds appropriated in the 2013-2015 biennium and the net revenue loss from resident undergraduate tuition operating fees based on budgeted full-time equivalent enrollment received for the 2015-2017 fiscal biennium under RCW 28B.15.067 (3) and (6), each adjusted for inflation in subsequent biennia.

(2) As used in this section and RCW 28B.15.069, "inflation" shall be based on the consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people and covering areas exclusively within the boundaries of the state shall be used.

Sec. 3. RCW 28B.15.067 and 2013 2nd sp.s. c 4 s 958 are each amended to read as follows:

(1) Tuition fees shall be established under the provisions of this chapter.

(2) Beginning in the 2011-12 academic year and through the 2014-15 academic year, reductions or increases in full-time tuition fees shall be as provided in the omnibus appropriations act for resident undergraduate students at community and technical colleges.

(3)(a) As specified in the omnibus appropriations act, in the 2015-16 academic year, full-time tuition operating fees for resident undergraduates at community and technical colleges shall be no more than the 2014-15 tuition operating fee and no less than six percent of the state's average wage as defined in RCW 50.04.355.

(b) Beginning in the 2016-17 academic year, full-time tuition operating fees for resident undergraduates at community and technical colleges shall be six percent of the state's average wage as defined in RCW 50.04.355.

(4) The governing boards of the state universities, regional universities, and The Evergreen State College; and the state board for community and technical colleges may reduce or increase full-time tuition fees for all students other than resident undergraduates, including nonresident students, summer school students, and students in other self-supporting degree programs. Percentage increases in full-time tuition may exceed the fiscal growth factor. Except during the 2013-2015 fiscal biennium, the state board for community and technical colleges may pilot or institute differential tuition models. The board may define scale, scope, and rationale for the models.

(((3))) (5)(a) Beginning with the 2011-12 academic year and through the end of the 2014-15 academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College may reduce or increase full-time tuition fees for all students, including summer school students and students in other self-supporting degree programs. Percentage increases in full-time tuition fees may exceed the fiscal growth factor. Reductions or increases may be made for all or portions of an institution's programs, campuses, courses, or students; however, during the 2013-2015 fiscal biennium, reductions or increases in tuition must be uniform among resident undergraduate students.

(b) Prior to reducing or increasing tuition for each academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College shall consult with existing student associations or organizations with student undergraduate and graduate representatives regarding the impacts of potential tuition increases. Each governing board shall make public its proposal for tuition and fee increases twenty-one days before the governing board of the institution considers adoption and allow opportunity for public comment. However, the requirement to make public a proposal for tuition and fee increases twenty-one days before the governing board considers adoption shall not apply if the omnibus appropriations act has not passed the legislature by May 15th. Governing boards shall be required to provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.

(c) Prior to reducing or increasing tuition for each academic year, the state board for community and technical college system shall consult with existing student associations or organizations with undergraduate student representation regarding the impacts of potential tuition increases. The state board for community and technical colleges shall provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.

(((4) Beginning with)) (6)(a) In the 2015-16 academic year ((through the 2018-19 academic year, the governing boards of the state universities, regional universities, and The Evergreen State College may set tuition for resident undergraduates as follows:

(a) If state funding for a college or university falls below the state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection, reduce enrollments, or both;

(b) If state funding for a college or university is at least at the level of state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection and shall continue to at least maintain the actual enrollment levels for fiscal year 2011 or increase enrollments as required in the omnibus appropriations act;

(c) If state funding is increased so that combined with resident undergraduate tuition the sixtieth percentile of the total per student funding at similar public institutions of higher education in the global challenge states under RCW 28B.15.068 is exceeded, the governing board shall decrease tuition by the amount needed for the total per student funding to be at the sixtieth percentile under RCW 28B.15.068; and

(d) The amount of tuition set by the governing board for an institution under this subsection (4) may not exceed the sixtieth percentile of the resident undergraduate tuition of similar public institutions of higher education in the global challenge states.

(5))), full-time tuition operating fees for resident undergraduates shall be provided in the omnibus appropriations act and for:

(i) State universities shall be no more than the 2014-15 tuition operating fee and no less than fourteen percent of the state's average wage as defined in RCW 50.04.355; and

(ii) Regional universities and The Evergreen State College shall be no more than the 2014-15 tuition operating fee and no less than ten percent of the state's average wage as defined in <u>RCW 50.04.355.</u>

(b) Beginning with the 2016-17 academic year, full-time tuition operating fees for resident undergraduates at state universities shall be fourteen percent of the state's average wage as defined in RCW 50.04.355 and full-time tuition operating fees for resident undergraduates at regional universities and The Evergreen State College shall be ten percent of the state's average wage as defined in RCW 50.04.355.

(7) The tuition fees established under this chapter shall not apply to high school students enrolling in participating institutions of higher education under RCW 28A.600.300 through 28A.600.400.

(((6))) (8) The tuition fees established under this chapter shall not apply to eligible students enrolling in a dropout reengagement program through an interlocal agreement between

a school district and a community or technical college under RCW 28A.175.100 through 28A.175.110.

(((7))) (9) The tuition fees established under this chapter shall not apply to eligible students enrolling in a community or technical college participating in the pilot program under RCW 28B.50.534 for the purpose of obtaining a high school diploma.

(((8) Beginning in the 2019-20 academic year, reductions or increases in full-time tuition fees for resident undergraduates at four year institutions of higher education shall be as provided in the omnibus appropriations act.

(9))) (10) The legislative advisory committee to the committee on advanced tuition payment established in RCW 28B.95.170 shall:

(a) Review the impact of differential tuition rates on the funded status and future unit price of the Washington advanced college tuition payment program; and

(b) No later than January 14, 2013, make a recommendation to the appropriate policy and fiscal committees of the legislature regarding how differential tuition should be addressed in order to maintain the ongoing solvency of the Washington advanced college tuition payment program.

(11) As a result of any changes in tuition under section 3, chapter ..., Laws of 2015 (this section), the governing boards of the state universities, the regional universities, and The Evergreen State College shall not reduce resident undergraduate enrollment below the 2014-15 academic year levels.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 28B.92 RCW to read as follows:

Beginning with the 2015-2017 omnibus appropriations act and each biennium thereafter, reductions in tuition levels resulting from section 3, chapter ..., Laws of 2015 (section 3 of this act) will allow the legislature to reduce state need grant appropriations by an equal amount from the 2013-2015 fiscal biennium amounts.

Sec. 5. RCW 28B.15.069 and 2013 2nd sp.s. c 4 s 959 are each amended to read as follows:

(1) The building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the office of financial management and be based on the actual percentage the building fee is of total tuition for each tuition category in the 1994-95 academic year, rounded up to the nearest half percent. After the effective date of this section, the dollar value of the building fee shall not be reduced below the level in the 2014-15 academic year adjusted for inflation. As used in this subsection, "inflation" has the meaning in RCW 28B.15.066(2).

(2) The governing boards of each institution of higher education, except for the technical colleges, shall charge to and collect from each student a services and activities fee. A governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in student tuition fees for resident undergraduate students: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. These rate adjustments may exceed the fiscal growth factor. For the 2013-2015 fiscal biennium, each governing board is authorized to increase the services and activities fees by amounts judged reasonable and necessary by the services and activities fee committee and the governing board consistent with the budgeting procedures set forth in RCW 28B.15.045. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

(3) Tuition and services and activities fees consistent with subsection (2) of this section shall be set by the state board for community and technical colleges for community college summer school students unless the community college charges fees in accordance with RCW 28B.15.515.

(4) Subject to the limitations of RCW 28B.15.910, each governing board of a community college may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules of the state board for community and technical colleges.

(5) The governing board of a college offering an applied baccalaureate degree program under RCW 28B.50.810 may charge tuition fees for those courses above the associate degree level at rates consistent with rules adopted by the state board for community and technical colleges, not to exceed tuition fee rates at the regional universities.

Sec. 6. RCW 28B.95.020 and 2012 c 229 s 606 are each reenacted and amended to read as follows:

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

(1) "Academic year" means the regular nine-month, three-quarter, or two-semester period annually occurring between August 1st and July 31st.

(2) "Account" means the Washington advanced college tuition payment program account established for the deposit of all money received by the office from eligible purchasers and interest earnings on investments of funds in the account, as well as for all expenditures on behalf of eligible beneficiaries for the redemption of tuition units and for the development of any authorized college savings program pursuant to RCW 28B.95.150.

(3) "Committee on advanced tuition payment" or "committee" means a committee of the following members: The state treasurer, the director of the office of financial management, the director of the office, or their designees, and two members to be appointed by the governor, one representing program participants and one private business representative with marketing, public relations, or financial expertise.

(4) "Contractual obligation" means a legally binding contract of the state with the purchaser and the beneficiary establishing that purchases of tuition units will be worth the same number of tuition units at the time of redemption as they were worth at the time of the purchase, except as provided in RCW 28B.95.030(7).

(5) "Eligible beneficiary" means the person for whom the tuition unit will be redeemed for attendance at an institution of higher education. The beneficiary is that person named by the purchaser at the time that a tuition unit contract is accepted by the governing body. Qualified organizations, as allowed under section 529 of the federal internal revenue code, purchasing tuition unit contracts as future scholarships need not designate a beneficiary at the time of purchase.

(6) "Eligible purchaser" means an individual or organization that has entered into a tuition unit contract with the governing body for the purchase of tuition units for an eligible beneficiary. The state of Washington may be an eligible purchaser for purposes of purchasing tuition units to be held for granting Washington college bound scholarships.

(7) "Full-time tuition charges" means resident tuition charges at a state institution of higher education for enrollments between ten credits and eighteen credit hours per academic term.

(8) "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program. (9) "Institution of higher education" means an institution that offers education beyond the secondary level and is recognized by the internal revenue service under chapter 529 of the internal revenue code.

(10) "Investment board" means the state investment board as defined in chapter 43.33A RCW.

(11) "Office" means the office of student financial assistance as defined in chapter 28B.76 RCW.

(12) "State institution of higher education" means institutions of higher education as defined in RCW 28B.10.016.

(13) "Tuition and fees" means undergraduate tuition and services and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded to the nearest whole dollar. For purposes of this chapter, services and activities fees do not include fees charged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities.

(14) "Tuition unit contract" means a contract between an eligible purchaser and the governing body, or a successor agency appointed for administration of this chapter, for the purchase of tuition units for a specified beneficiary that may be redeemed at a later date for an equal number of tuition units. except as provided in RCW 28B.95.030(7).

(15) "Unit purchase price" means the minimum cost to purchase one tuition unit for an eligible beneficiary. Generally, the minimum purchase price is one percent of the undergraduate tuition and fees for the current year, rounded to the nearest whole dollar, adjusted for the costs of administration and adjusted to ensure the actuarial soundness of the account. The analysis for price setting shall also include, but not be limited to consideration of past and projected patterns of tuition increases, program liability, past and projected investment returns, and the need for a prudent stabilization reserve.

Sec. 7. RCW 28B.95.030 and 2011 1st sp.s. c 12 s 2 and 2011 1st sp.s. c 11 s 170 are each reenacted and amended to read as follows:

(1) The Washington advanced college tuition payment program shall be administered by the committee on advanced tuition payment which shall be chaired by the director of the office. The committee shall be supported by staff of the office.

(2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval, except as provided in subsection (7) of this section.

(b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body, except as provided in subsection (7) of this section.

(c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract, except as provided in subsection (7) of this section.

(d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.

(e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of

Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.

(3)(a) No tuition unit may be redeemed until two years after the purchase of the unit. Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code.

(b) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.

(4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.

(5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.

(6) The governing body shall annually determine current value of a tuition unit.

(7) For the 2015-16 and 2016-17 academic years, the committee and the governing body shall make such one-time adjustments to all unredeemed tuition units purchased before the effective date of this section as may be necessary to ensure that the total payout value of each account at the effective date of this section is not decreased or diluted as a result of the initial application of any changes in tuition under section 3, chapter ..., Laws of 2015 (section 3 of this act). The first notification to holders of tuition units after the adjustment in this subsection is made must include a statement concerning the adjustment.

(8) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program.

(((3))) (9) In addition to any other powers conferred by this chapter, the governing body may:

(a) Impose reasonable limits on the number of tuition units or units that may be used in any one year;

(b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;

(c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;

(d) Appoint and use advisory committees and the state actuary as needed to provide program direction and guidance;

(e) Formulate and adopt all other policies and rules necessary for the efficient administration of the program;

(f) Consider the addition of an advanced payment program for room and board contracts and also consider a college savings program;

(g) Purchase insurance from insurers licensed to do business in the state, to provide for coverage against any loss in connection with the account's property, assets, or activities or to further insure the value of the tuition units;

(h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;

(i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;

(j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;

(k) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;

(1) Solicit and accept cash donations and grants from any person, governmental agency, private business, or organization; and

(m) Perform all acts necessary and proper to carry out the duties and responsibilities of this program under this chapter.

<u>NEW SECTION.</u> Sec. 8. The following acts or parts of acts are each repealed:

(1) RCW 28B.15.068 (Tuition fees increase limitations—State funding goals—Reports—"Global challenge states"—Notification of availability of American opportunity tax credit) and 2012 c 229 s 525, 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10 s 7, 2009 c 540 s 1, & 2007 c 151 s 1; and

(2) RCW 28B.15.102 (Institutional tuition increases—Financial aid offset—Reports—Resident first-year undergraduate enrollment at the University of Washington, Seattle campus) and 2014 c 162 s 1, 2013 c 23 s 53, 2012 c 229 s 526, & 2011 1st sp.s. c 10 s 6.

<u>NEW SECTION</u>. Sec. 9. This act may be known and cited as the college affordability program."

MOTION

Senator Cleveland moved that the following amendment by Senator Cleveland and others to the striking amendment be adopted:

On page 11, line 28, after "adjustment", insert the following:

"For accounts that are opened prior to the effective date of this section, the committee and the governing body shall make such adjustments to the number of tuition units that may be redeemed in one year as may be necessary to ensure that any change in tuition policy under section 3 of this act does not result in the decrease of the dollar value of the maximum tuition units that may be used in any one year."

Senators Cleveland and Braun spoke in favor of 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 Cleveland and others on page 11, line 28 to the striking amendment to Substitute Senate Bill No. 5954.

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

Senator Braun spoke in favor of adoption of the striking amendment as amended.

Senator Kohl-Welles spoke against the adoption of the striking amendment as amended.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Braun and Bailey as amended to Substitute Senate Bill No. 5954.

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

MOTION

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

On page 1, line 1 of the title, after "tuition;" strike the remainder of the title and insert "amending RCW 28B.15.031, 28B.15.066, 28B.15.067, and 28B.15.069; reenacting and amending RCW 28B.95.020 and 28B.95.030; adding a new section to chapter 28B.92 RCW; creating a new section; and repealing RCW 28B.15.068 and 28B.15.102."

MOTION

On motion of Senator Braun, the rules were suspended, Engrossed Substitute Senate Bill No. 5954 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Braun, Rolfes, Baumgartner, Habib and Bailey spoke in favor of passage of the bill.

Senators Hargrove and Frockt spoke on final passage of the bill.

Senators Chase Fraser and McAuliffe spoke against passage of the bill.

MOTION

Senator Padden demanded that the previous question be put. The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be, "Shall the main question be now put?"

The motion by Senator Padden did not carry by voice vote and the previous question was not put.

Senators McCoy spoke against passage of the bill. Senators Hasegawa, Hill 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. 5954.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5954 and the bill passed the Senate by the following vote: Yeas, 37; Nays, 12; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Cleveland, Conway, Dammeier, Dansel, Ericksen, Fain, Habib, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Liias, Litzow, Miloscia, Mullet, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Chase, Darneille, Fraser, Frockt, Hargrove, Jayapal, Kohl-Welles, McAuliffe, McCoy, Nelson, Pedersen and Ranker

ENGROSSED SUBSTITUTE SENATE BILL NO. 5954, 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. 5870, by Senators Liias, Litzow, Pedersen, Fain, Ranker, Rivers, Frockt, Cleveland, Mullet, Kohl-Welles, Keiser, Chase, Billig, Hasegawa, Darneille and Habib Prohibiting the use of aversion therapy in the treatment of minors. Revised for 1st Substitute: Protecting youth from aversive mental health therapies.

MOTIONS

On motion of Senator Liias, Substitute Senate Bill No. 5870 was substituted for Senate Bill No. 5870 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Liias, the rules were suspended, Substitute Senate Bill No. 5870 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5870.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5870 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

SUBSTITUTE SENATE BILL NO. 5870, 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. 5407, by Senators Pearson, Bailey and Benton

Concerning existing lots and the Skagit instream flow rule. Revised for 1st Substitute: Concerning the effects of instream flow rules on water use.

MOTION

On motion of Pearson, Substitute Senate Bill No. 5407 was substituted for Senate Bill No. 5407 and the substitute bill was placed on the second reading and read the second time.

MOTION

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

On page 4, after line 19, insert the following:

"<u>NEW SECTION.</u> Sec. 3. Within one year from the effective date of this section, the department of ecology must review the Skagit river basin instream resources protection program rule, chapter 173-503 WAC, to determine whether the rule has set aside sufficient water reservations to satisfy year-round human domestic needs in designated water resource inventory areas 3 and 4. If the department of ecology's review demonstrates that adequate reserves have not been made, the

department must take appropriate action to amend the rule, consistent with the requirements of RCW 90.54.020(3)(a)."

Senator Warnick spoke in favor of adoption of the amendment.

Senator McCoy spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Warnick on page 4, after line 19 to Substitute Senate Bill No. 5407.

The motion by Senator Warnick carried and the amendment was adopted by a rising vote.

MOTION

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

On page 1, line 2 of the title, after "use," strike "and" and after "90.54.020" insert"; and creating a new section.

MOTION

On motion of Senator Pearson, the rules were suspended, Engrossed Substitute Senate Bill No. 5407 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pearson, Becker, Bailey, Sheldon, Warnick and Honeyford spoke in favor of passage of the bill.

Senator McCoy, Fraser, Hargrove 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. 5407.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5407 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 23; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Hatfield, Hewitt, Hill, Honeyford, King, Miloscia, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Chase, Cleveland, Conway, Darneille, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hobbs, Jayapal, Keiser, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Mullet, Nelson, Pedersen, Ranker and Rolfes

ENGROSSED SUBSTITUTE SENATE BILL NO. 5407, 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, Rule 15 was suspended for the remainder of the day for the purpose of allowing continued floor action.

<u>EDITOR'S NOTE:</u> Senate Rule 15 establishes the floor schedule and calls for a lunch and dinner break of 90 minutes each per day during regular daily sessions.

SECOND READING

FIFTY NINTH DAY, MARCH 11, 2015

SENATE BILL NO. 5363, by Senators Padden, Dansel, Pearson, Roach, Rivers, Angel, Schoesler, Braun, Dammeier, Honeyford and Hewitt

Prohibiting the use of eminent domain for economic development.

The measure was read the second time.

MOTION

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

On page 2, line 31, after "public" insert "or private"

On page 2, line 32, after "constitute a public" insert "or private"

Senator Rolfes spoke in favor of adoption of the amendment. Senator Padden spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Rolfes on page 2, line 31 to Senate Bill No. 5363.

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

MOTION

On motion of Senator Padden, the rules were suspended, Senate Bill No. 5363 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Padden and Benton spoke in favor of passage of the bill.

Senator Pedersen spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 5363.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5363 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Hargrove, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Litzow, Miloscia, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Chase, Cleveland, Conway, Darneille, Fraser, Frockt, Habib, Hasegawa, Hatfield, Jayapal, Kohl-Welles, Liias, McAuliffe, McCoy, Mullet, Nelson, Pedersen and Ranker

SENATE BILL NO. 5363, 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. 5282, by Senators Braun, Baumgartner and Warnick

Concerning residential security system installations.

MOTION

On motion of Senator Braun, Substitute Senate Bill No. 5282 was substituted for Senate Bill No. 5282 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Mullet moved that the following amendment by Senators Braun and Mullet be adopted:

Beginning on page 3, line 34, strike all of section 2

Senators Mullet, Braun and Hobbs spoke in favor of adoption of the amendment.

Senator Honeyford spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Braun and Mullet on page 3, line 14 to Substitute Senate Bill No. 5282.

The motion by Senator Mullet carried and the 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 "19.28.006" strike "and 19.28.261"

MOTION

On motion of Senator Braun, the rules were suspended, Engrossed Substitute Senate Bill No. 5282 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Braun, Mullet and Hobbs spoke in favor of passage of the bill.

Senator Hasegawa 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. 5282.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5282 and the bill passed the Senate by the following vote: Yeas, 32; Nays, 16; Absent, 1; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Hatfield, Hewitt, Hill, Hobbs, Honeyford, King, Litzow, Miloscia, Mullet, O'Ban, Padden, Parlette, Pearson, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Chase, Cleveland, Conway, Darneille, Fraser, Frockt, Habib, Hasegawa, Jayapal, Keiser, Kohl-Welles, Liias, McAuliffe, McCoy, Nelson and Pedersen

Absent: Senator Hargrove

ENGROSSED SUBSTITUTE SENATE BILL NO. 5282, 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 Habib, Senator Hargrove was excused.

SECOND READING

2015 REGULAR SESSION

SENATE BILL NO. 5721, by Senators Billig, Dammeier and Jayapal

Concerning the membership of the expanded learning opportunities council.

MOTIONS

On motion of Senator Billig, Substitute Senate Bill No. 5721 was substituted for Senate Bill No. 5721 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Billig, the rules were suspended, Substitute Senate Bill No. 5721 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Billig spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5721.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5721 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 1; Excused, 1.

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

Absent: Senator Benton

Excused: Senator Hargrove

SUBSTITUTE SENATE BILL NO. 5721, 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 Fraser, Senator Habib was excused.

SECOND READING

SENATE BILL NO. 5433, by Senators Litzow, Rolfes, Roach, Fain, Hasegawa, Dammeier, McCoy, Nelson, Frockt, McAuliffe, Rivers, Kohl-Welles, Chase, Jayapal, Conway and Habib

Requiring Washington's tribal history, culture, and government to be taught in the common schools.

MOTION

On motion of Senator Litzow, Substitute Senate Bill No. 5433 was substituted for Senate Bill No. 5433 and the substitute bill was placed on the second reading and read the second time.

MOTION

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

On page 2, at the beginning of line 11, strike "federally recognized" and insert "((federally recognized))"

On page 2, line 26, after "any" strike "federally recognized" and insert "((federally recognized))"

On page 2, line 35, after "towards" strike "federally recognized" and insert "((federally recognized))"

On page 2, line 38, after "identify" strike "federally recognized" and insert "((federally recognized))"

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

Senators McCoy and Litzow spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Hatfield on page 2, line 11 to Substitute Senate Bill No. 5433.

The motion by Senator Hatfield failed and the amendment was not adopted by a rising vote.

MOTION

On motion of Senator Litzow, the rules were suspended, Substitute Senate Bill No. 5433 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Litzow, Dansel, McCoy, Rolfes and McAuliffe spoke in favor of passage of the bill.

Senators Angel, Hatfield and Chase spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5433.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5433 and the bill passed the Senate by the following vote: Yeas, 42; Nays, 7; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Baumgartner, Becker, Benton, Billig, Braun, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Angel, Brown, Chase, Ericksen, Hatfield, Hewitt and Padden

SUBSTITUTE SENATE BILL NO. 5433, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Hargrove: "I have discovered a conspiracy on the floor of the senate that I wanted to inform everybody of. Today is 'Hargrove Hamburger Day' [in the Senate Dining Room] and the Majority Floor Leader, who is a vegetarian, is not giving you a lunch break. I just wanted to take and point that out, that he is trying to impose his views on the rest of the senate. There's plenty of burgers downstairs."

PERSONAL PRIVILEGE

Senator Fain: "I asked politely for a tofu burger and none was provided. But I was hoping that we could pass one more bill before we head down for a brief visit to what, it clearly seems, Senator Hargrove has already visited."

SECOND READING

SENATE BILL NO. 5785, by Senators Rivers, Nelson, Dansel, Hatfield, Pearson, Fain, Liias and Hobbs

Revising the definition of official duties of state officers.

MOTION

On motion of Senator Rivers, Substitute Senate Bill No. 5785 was substituted for Senate Bill No. 5785 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Pedersen moved that the following striking amendment by Senators Pedersen and Padden be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 42.52.010 and 2011 c 60 s 28 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency" means any state board, commission, bureau, committee, department, institution, division, or tribunal in the legislative, executive, or judicial branch of state government. "Agency" includes all elective offices, the state legislature, those institutions of higher education created and supported by the state government, and those courts that are parts of state government.

(2) "Assist" means to act, or offer or agree to act, in such a way as to help, aid, advise, furnish information to, or otherwise provide assistance to another person, believing that the action is of help, aid, advice, or assistance to the person and with intent so to assist such person.

(3) "Beneficial interest" has the meaning ascribed to it under the Washington case law. However, an ownership interest in a mutual fund or similar investment pooling fund in which the owner has no management powers does not constitute a beneficial interest in the entities in which the fund or pool invests.

(4) "Compensation" means anything of economic value, however designated, that is paid, loaned, granted, or transferred, or to be paid, loaned, granted, or transferred for, or in consideration of, personal services to any person.

(5) "Confidential information" means (a) specific information, rather than generalized knowledge, that is not available to the general public on request or (b) information made confidential by law.

(6) "Contract" or "grant" means an agreement between two or more persons that creates an obligation to do or not to do a particular thing. "Contract" or "grant" includes, but is not limited to, an employment contract, a lease, a license, a purchase agreement, or a sales agreement.

(7) "Ethics boards" means the commission on judicial conduct, the legislative ethics board, and the executive ethics board.

(8) "Family" has the same meaning as "immediate family" in RCW 42.17A.005.

(9) "Gift" means anything of economic value for which no consideration is given. "Gift" does not include:

(a) Items from family members or friends where it is clear beyond a reasonable doubt that the gift was not made as part of any design to gain or maintain influence in the agency of which the recipient is an officer or employee; (b) Items related to the outside business of the recipient that are customary and not related to the recipient's performance of official duties;

(c) Items exchanged among officials and employees or a social event hosted or sponsored by a state officer or state employee for coworkers;

(d) Payments by a governmental or nongovernmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance, or trade mission made in an official capacity. As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event;

(e) Items a state officer or state employee is authorized by law to accept;

(f) Payment of enrollment and course fees and reasonable travel expenses attributable to attending seminars and educational programs sponsored by a bona fide governmental or nonprofit professional, educational, trade, or charitable association or institution. As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event;

(g) Items returned by the recipient to the donor within thirty days of receipt or donated to a charitable organization within thirty days of receipt;

(h) Campaign contributions reported under chapter 42.17A RCW;

(i) Discounts available to an individual as a member of an employee group, occupation, or similar broad-based group; and

(j) Awards, prizes, scholarships, or other items provided in recognition of academic or scientific achievement.

(10) "Head of agency" means the chief executive officer of an agency. In the case of an agency headed by a commission, board, committee, or other body consisting of more than one natural person, agency head means the person or board authorized to appoint agency employees and regulate their conduct.

(11) "Honorarium" means money or thing of value offered to a state officer or state employee for a speech, appearance, article, or similar item or activity in connection with the state officer's or state employee's official role.

(12) "Official duty" means: (a) For a state officer holding an elective office, those duties ((within the specific scope of employment of the state officer or state employee as defined by the officer's or employee's agency or by statute or the state Constitution)) prescribed in the state Constitution, state statutes, or agency rules, legislatively funded or mandated authority and responsibilities, and tasks or actions directly related to carrying out the state officer's other official duties; and (b) for a state employee or a state officer who is not holding an elective office, those duties within the specific scope of employment of the state officer or state employee as defined by the officer's or employee's agency or by statute or the state Constitution.

(13) "Participate" means to participate in state action or a proceeding personally and substantially as a state officer or state employee, through approval, disapproval, decision, recommendation, the rendering of advice, investigation, or otherwise but does not include preparation, consideration, or enactment of legislation or the performance of legislative duties.

(14) "Person" means any individual, partnership, association, corporation, firm, institution, or other entity, whether or not operated for profit.

(15) "Regulatory agency" means any state board, commission, department, or officer, except those in the legislative or judicial branches, authorized by law to conduct adjudicative proceedings, issue permits or licenses, or to control or affect interests of identified persons.

(16) "Responsibility" in connection with a transaction involving the state, means the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or through subordinates, effectively to approve, disapprove, or otherwise direct state action in respect of such transaction.

(17) "State action" means any action on the part of an agency, including, but not limited to:

(a) A decision, determination, finding, ruling, or order; and

(b) A grant, payment, award, license, contract, transaction, sanction, or approval, or the denial thereof, or failure to act with respect to a decision, determination, finding, ruling, or order.

(18) "State employee" means an individual who is employed by an agency in any branch of state government. For purposes of this chapter, employees of the superior courts are not state officers or state employees.

(19) "State officer" means every person holding a position of public trust in or under an executive, legislative, or judicial office of the state. "State officer" includes judges of the superior court, judges of the court of appeals, justices of the supreme court, members of the legislature together with the secretary of the senate and the chief clerk of the house of representatives, holders of elective officers in the executive branch of state government, chief executive officers of state agencies, members of boards, commissions, or committees with authority over one or more state agencies or institutions, and employees of the state who are engaged in supervisory, policy-making, or policy-enforcing work. For the purposes of this chapter, "state officer" also includes any person exercising or undertaking to exercise the powers or functions of a state officer.

(20) "Thing of economic value," in addition to its ordinary meaning, includes:

(a) A loan, property interest, interest in a contract or other chose in action, and employment or another arrangement involving a right to compensation;

(b) An option, irrespective of the conditions to the exercise of the option; and

(c) A promise or undertaking for the present or future delivery or procurement.

(21)(a) "Transaction involving the state" means a proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other similar matter that the state officer, state employee, or former state officer or state employee in question believes, or has reason to believe:

(i) Is, or will be, the subject of state action; or

(ii) Is one to which the state is or will be a party; or

(iii) Is one in which the state has a direct and substantial proprietary interest.

(b) "Transaction involving the state" does not include the following: Preparation, consideration, or enactment of legislation, including appropriation of moneys in a budget, or the performance of legislative duties by an officer or employee; or a claim, case, lawsuit, or similar matter if the officer or employee did not participate in the underlying transaction involving the state that is the basis for the claim, case, or lawsuit.

(22) "University" includes "state universities" and "regional universities" as defined in RCW 28B.10.016 and also includes any research or technology institute affiliated with a university, including without limitation, the Spokane intercollegiate research and technology institute and the Washington technology center.

(23) "University research employee" means a state officer or state employee employed by a university, but only to the extent the state officer or state employee is engaged in research, technology transfer, approved consulting activities related to research and technology transfer, or other incidental activities."

Senators Pedersen and Rivers spoke in favor of adoption of the striking amendment.

MOTION

On motion of Senator Mullet, Senator Habib was excused.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Pedersen and Padden to Substitute Senate Bill No. 5785.

The motion by Senator Pedersen 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 "officers;" strike the remainder of the title and insert "and reenacting and amending RCW 42.52.010."

MOTION

On motion of Senator Rivers, the rules were suspended, Engrossed Substitute Senate Bill No. 5785 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Rivers 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. 5785.

ROLL CALL

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

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

Voting nay: Senators Baumgartner, Ericksen and Schoesler Excused: Senator Habib

ENGROSSED SUBSTITUTE SENATE BILL NO. 5785, 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.

Senator Fain announced a meeting of the Majority Coalition Caucus at 1:30 p.m. and invited those members to bring their lunch.

Senator Fraser announced a meeting of the Senate Democratic Caucus at 1:30 p.m. and requested those members to bring their new regular calendar.

MOTION

At 12:59 p.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

FIFTY NINTH DAY, MARCH 11, 2015

The Senate was called to order at 2:36 p.m. by President Owen.

SECOND READING

SENATE BILL NO. 5206, by Senators Becker, Miloscia, Bailey, Braun, Padden, Hewitt, Hill, Dammeier, Honeyford and Parlette

Addressing state audit findings of noncompliance with state law.

MOTIONS

On motion of Senator Becker, Substitute Senate Bill No. 5206 was substituted for Senate Bill No. 5206 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Becker, the rules were suspended, Substitute Senate Bill No. 5206 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Becker and Jayapal spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5206.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5206 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, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Ericksen, Fain, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Fraser and McCoy

SUBSTITUTE SENATE BILL NO. 5206, 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. 5563, by Senators Honeyford, Sheldon and Ericksen

Providing a business and occupation tax exemption for environmental handling charges.

MOTIONS

On motion of Senator Honeyford, Substitute Senate Bill No. 5563 was substituted for Senate Bill No. 5563 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Honeyford, the rules were suspended, Substitute Senate Bill No. 5563 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Honeyford spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5563.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5563 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 8; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Ericksen, Fain, Habib, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Litzow, McAuliffe, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Fraser, Frockt, Hasegawa, Jayapal, Kohl-Welles, Liias, McCoy and Pedersen

SUBSTITUTE SENATE BILL NO. 5563, 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. 5609, by Senators Bailey, Ranker, Hatfield, Baumgartner, Liias and Rolfes

Protecting waterways from pollution from synthetic plastic microbeads.

MOTION

On motion of Senator Bailey, Substitute Senate Bill No. 5609 was substituted for Senate Bill No. 5609 and the substitute bill was placed on the second reading and read the second time.

MOTION

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

On page 1, line 9, after "(2)" insert "Natural exfoliant" means a substance occurring in and generated by the natural environment and includes, but is not limited to, the following substances: Walnut shells; apricot hulls; clay; sugar; salt; and bee's wax.

(3)"

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

On page 2, at the beginning of line 5, strike "nonbiodegradable"

On page 2, line 11, after "Sec. 3." insert "(1)"

On page 2, at the beginning of line 12, strike "(1)" and insert "(a)"

On page 2, at the beginning of line 15, strike "(2)" and insert "(b)"

On page 2, after line 16, insert the following:

"(2) This section does not apply to natural exfoliants."

Senator Ranker spoke in favor of adoption of the amendment. Senator Bailey spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Ranker on page 1, line 9 to Substitute Senate Bill No. 5609.

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

2015 REGULAR SESSION

MOTION

On motion of Senator Bailey, the rules were suspended, Substitute Senate Bill No. 5609 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Bailey, Ranker and Chase spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5609.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5609 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

SUBSTITUTE SENATE BILL NO. 5609, 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. 5857, by Senators Parlette, Conway, Becker and Pearson

Addressing registration and regulation of pharmacy benefit managers.

MOTION

On motion of Senator Parlette, Substitute Senate Bill No. 5857 was substituted for Senate Bill No. 5857 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Parlette moved that the following striking amendment by Senator Parlette and others be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 19.340.030 and 2014 c 213 s 2 are each amended to read as follows:

(1) To conduct business in this state, a pharmacy benefit manager must register with the ((department of revenue's business licensing service)) office of the insurance commissioner and annually renew the registration.

(2) To register under this section, a pharmacy benefit manager must:

(a) Submit an application requiring the following information:

(i) The identity of the pharmacy benefit manager;

(ii) The name, business address, phone number, and contact person for the pharmacy benefit manager; and

(iii) Where applicable, the federal tax employer identification number for the entity; and

(b) Pay a registration fee ((of two hundred dollars)) established in rule by the commissioner. The registration fee must be set to allow the registration and oversight activities to be self-supporting.

(3) To renew a registration under this section, a pharmacy benefit manager must pay a renewal fee ((of two hundred dollars)) established in rule by the commissioner. The renewal fee must be set to allow the renewal and oversight activities to be self-supporting.

(4) All receipts from registrations and renewals collected by the ((department)) <u>commissioner</u> must be deposited into the ((business license account created in RCW 19.02.210)) <u>insurance</u> commissioner's regulatory account created in RCW 48.02.190.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 19.340 RCW to read as follows:

(1) The commissioner shall have enforcement authority over this chapter and shall have authority to render a binding decision in any dispute between a pharmacy benefit manager, or third-party administrator of prescription drug benefits, and a pharmacy arising out of an appeal regarding drug pricing and reimbursement.

(2) Any person, corporation, or third-party administrator of prescription drug benefits, pharmacy benefit manager, or business entity which violates any provision of this chapter shall be subject to a civil penalty in the amount of one thousand dollars for each act in violation of this chapter or, if the violation was knowing and willful, a civil penalty of five thousand dollars for each violation of this chapter.

Sec. 3. RCW 19.340.010 and 2014 c 213 s 1 are each amended to read as follows:

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

(1) "Claim" means a request from a pharmacy or pharmacist to be reimbursed for the cost of filling or refilling a prescription for a drug or for providing a medical supply or service.

(2) <u>"Commissioner" means the insurance commissioner</u> established in chapter 48.02 RCW.

(3) "Insurer" has the same meaning as in RCW 48.01.050.

(((3))) (4) "Pharmacist" has the same meaning as in RCW 18.64.011.

(((4))) (5) "Pharmacy" has the same meaning as in RCW 18.64.011.

(((5))) (6)(a) "Pharmacy benefit manager" means a person that contracts with pharmacies on behalf of an insurer, a third-party payor, or the prescription drug purchasing consortium established under RCW 70.14.060 to:

 (i) Process claims for prescription drugs or medical supplies or provide retail network management for pharmacies or pharmacists;

(ii) Pay pharmacies or pharmacists for prescription drugs or medical supplies; or

(iii) Negotiate rebates with manufacturers for drugs paid for or procured as described in this subsection.

(b) "Pharmacy benefit manager" does not include a health care service contractor as defined in RCW 48.44.010.

(((6)))) (<u>7</u>) "Third-party payor" means a person licensed under RCW 48.39.005.

Sec. 4. RCW 19.340.100 and 2014 c 213 s 10 are each amended to read as follows:

(1) As used in this section:

(a) "List" means the list of drugs for which maximum allowable costs have been established.

(b) "Maximum allowable cost" means the maximum amount that a pharmacy benefit manager will reimburse a pharmacy for the cost of a drug. (c) "Multiple source drug" means a therapeutically equivalent drug that is available from at least two manufacturers.

(d) "Network pharmacy" means a retail drug outlet licensed as a pharmacy under RCW 18.64.043 that contracts with a pharmacy benefit manager.

(e) "Therapeutically equivalent" has the same meaning as in RCW 69.41.110.

(2) A pharmacy benefit manager:

(a) May not place a drug on a list unless ((are is [there are])) there are at least two therapeutically equivalent multiple source drugs, or at least one generic drug available from only one manufacturer, generally available for purchase by network pharmacies from national or regional wholesalers;

(b) Shall ensure that all drugs on a list are ((generally)) readily available for purchase <u>at or below the list price</u> by <u>community retail</u> pharmacies in this state from national or regional wholesalers <u>that serve community retail pharmacies in</u> Washington;

(c) Shall ensure that all drugs on a list are not obsolete;

(d) Shall make available to each network pharmacy at the beginning of the term of a contract, and upon renewal of a contract, the sources utilized to determine the maximum allowable cost pricing of the pharmacy benefit manager;

(e) Shall make a list available to a network pharmacy upon request in a format that is readily accessible to and usable by the network pharmacy;

(f) Shall update each list maintained by the pharmacy benefit manager every seven business days and make the updated lists, including all changes in the price of drugs, available to network pharmacies in a readily accessible and usable format;

(g) Shall ensure that dispensing fees are not included in the calculation of maximum allowable cost.

(3) A pharmacy benefit manager must establish a process by which a network pharmacy may appeal its reimbursement for a drug subject to maximum allowable cost pricing. A network pharmacy may appeal a maximum allowable cost if the reimbursement for the drug is less than the net amount that the network pharmacy paid to the supplier of the drug. An appeal requested under this section must be completed within thirty calendar days of the pharmacy making the claim for which an appeal has been requested.

(4) A pharmacy benefit manager must provide as part of the appeals process established under subsection (3) of this section:

(a) A telephone number at which a network pharmacy may contact the pharmacy benefit manager and speak with an individual who is responsible for processing appeals;

(b) A final response to an appeal of a maximum allowable cost within seven business days; and

(c) If the appeal is denied, the reason for the denial and the national drug code of a drug that may be purchased by similarly situated pharmacies at a price that is equal to or less than the maximum allowable cost.

(5)(a) If an appeal is upheld under this section, the pharmacy benefit manager shall make an adjustment on a date no later than one day after the date of determination. The pharmacy benefit manager shall make the adjustment effective for all similarly situated pharmacies in this state that are within the network.

(b) If the request for an adjustment has come from a critical access pharmacy, as defined by the state health care authority by rule for purposes related to the prescription drug purchasing consortium established under RCW 70.14.060, the adjustment approved under (a) of this subsection shall apply only to critical access pharmacies.

(6) If a pharmacy appeal to the pharmacy benefit manager is denied, the pharmacy or pharmacist may dispute the denial and request review by the commissioner.

(a) If the commissioner determines that the drug with the national drug code provided by the pharmacy benefit manager is not available below the pharmacy acquisition cost from national or regional wholesalers that serve community retail pharmacies in Washington when the pharmacy purchased the prescription drug for resale, then the pharmacy benefit manager shall make an adjustment on a date no later than one day after the date of determination. The pharmacy benefit manager shall make the adjustment effective for all similarly situated pharmacies in this state that are within the network.

(b) If the commissioner denies the pharmacy's dispute, the pharmacy benefit manager's denial is upheld.

(c) Upon resolution of the dispute, the commissioner shall provide a copy of the decision to both parties within seven calendar days.

(7) This section does not apply to the state medical assistance program.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 48.02 RCW to read as follows:

(1) The commissioner shall accept registration of pharmacy benefit managers as established in RCW 19.340.030 and receipts shall be deposited in the insurance commissioner's regulatory account.

(2) The commissioner shall have enforcement authority over chapter 19.340 RCW consistent with requirements established in section 2 of this act.

(3) The commissioner may write rules to implement chapter 19.340 RCW and to establish registration and renewal fees that ensure the registration, renewal, and oversight activities are self-supporting.

<u>NEW SECTION.</u> Sec. 6. The joint select committee on health care oversight must convene a stakeholder work group comprised of participants in the prescription drug delivery chain, including pharmacy benefit managers, drug manufacturers, wholesalers, pharmacy service administrative organizations, pharmacies, health plans, and other payors. The work group must:

(1) Review the entire drug supply chain including plan and pharmacy benefit manager reimbursements to independent pharmacies, wholesaler or pharmacy service administrative organization price to independent pharmacies, and drug manufacturer prices to independent pharmacies;

(2) Discuss suggestions that recognize the unique nature of small retail pharmacies and possible options that support a viable business model that do not increase the cost of pharmacy products; and

(3) Provide periodic updates to the joint select committee on health care oversight.

<u>NEW SECTION.</u> Sec. 7. Section 1 of this act takes effect January 1, 2016."

MOTION

Senator Parlette moved that the following amendment by Senators Parlette and Conway to the striking amendment be adopted:

On page 3, line 21 after "purchase" strike "at or below the list price" On page 4, line 30 after "<u>commissioner</u>." Strike all language beginning with "<u>(a)</u>" down through page 5, line 3 after "<u>(c)</u>" and insert the following:

"(a) All relevant information from the parties may be presented to the commissioner, and the commissioner may enter an order directing the pharmacy benefit manager to make an adjustment, deny the pharmacy appeal, or take other actions deemed fair and equitable. (b)"

On page 5, line 24 after "work group" strike all language down through and including line 34, and insert the following:

"assignments may include, but are not limited to the following:

(1) Review the entire drug supply chain including plan and pharmacy benefit manager reimbursements to independent pharmacies, wholesaler or pharmacy service administrative organization price to independent pharmacies, and drug manufacturer prices to independent pharmacies;

(2) Discuss suggestions that recognize the unique nature of small retail pharmacies and possible options that support a viable business model that do not increase the cost of pharmacy products;

(3) Review the availability of all drugs on the list and list prices for community retail pharmacies;

(4) Review the phone contacts and standards for response times and availability;

(5) Review the pharmacy acquisition cost from national or regional wholesalers that serve community retail pharmacies in Washington, and consider when or whether to make an adjustment and under what standards. The review may assess the timing of pharmacy purchases of products and the relative risk of list price changes related to the timing of dispensing the products; and

(6) The work group must provide periodic updates to the joint select committee on health care oversight."

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

The President declared the question before the Senate to be the adoption of the amendment by Senators Parlette and Conway on page 3, line 21 to the striking amendment to Substitute Senate Bill No. 5857.

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

The President declared the question before the Senate to be the adoption of the striking amendment by Senator Parlette and others as amended to Substitute Senate Bill No. 5857.

The motion by Senator Parlette carried and the striking amendment as amended 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 "managers;" strike the remainder of the title and insert "amending RCW 19.340.030, 19.340.010, and 19.340.100; adding a new section to chapter 19.340 RCW; adding a new section to chapter 48.02 RCW; creating a new section; prescribing penalties; and providing an effective date."

MOTION

On motion of Senator Parlette, the rules were suspended, Engrossed Substitute Senate Bill No. 5857 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Parlette, Keiser and Conway spoke in favor of passage of the bill.

POINT OF INQUIRY

Senator Rolfes: "Would Senator Parlette stand for a question? I have a dozen or so pieces of correspondence from

people in my district urging me to oppose this because it's a new prescription drug tax on Washington State businesses and consumers. Could you please address that concern?"

Senator Parlette: "Thank you very much for asking this question Senator Rolfes. Actually, obviously the big umbrella organization, this bill got their attention. It wasn't planned and that is not the reason we've come together to come to this bill that we are voting on. But, with all due respect for whoever put that out – and we haven't figured out who did it. It happened to touch many of our neighborhoods and got the attention..."

REMARKS BY THE PRESIDENT

President Owen: "Senator Parlette, in this situation where you have the three minute rule and you can only speak twice, you must really address her question only and answer her question directly."

Senator Parlette: "The answer to the question is no, it is not a new tax. Thank you Mr. President."

Senator Becker 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. 5857.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5857 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5857, 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. 5843, by Senators Ranker, Parlette, Pearson, Rolfes, Hewitt, Litzow, Conway, Hasegawa and McAuliffe

Concerning outdoor recreation.

MOTION

On motion of Senator Ranker, Substitute Senate Bill No. 5843 was substituted for Senate Bill No. 5843 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Ranker moved that the following amendment by Senators Ranker and Parlette be adopted:

On page 3, line 15, after "governor" insert "on outdoor recreation"

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On page 3, line 17, after "Washington" insert ", with a particular focus on achieving economic development and job growth through outdoor recreation"

Senator Ranker spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Ranker and Parlette on page 3, line 15 to Substitute Senate Bill No. 5843.

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

MOTION

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

On page 3, line 17, after "Washington." insert "The governor appointed senior policy advisor must be confirmed by the senate."

Senator Schoesler 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 Schoesler on page 3, line 17 to Substitute Senate Bill No. 5843.

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

MOTION

On motion of Senator Ranker, the rules were suspended, Engrossed Substitute Senate Bill No. 5843 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Ranker, Parlette and McAuliffe 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. 5843.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5843 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 3; Absent, 0; Excused, 0.

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

Voting nay: Senators Hewitt, Honeyford and Padden

ENGROSSED SUBSTITUTE SENATE BILL NO. 5843, 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. 5186, by Senators Benton, Hasegawa, Sheldon and Keiser

Allowing certain health care coverage deductions from the calculation of disposable income for the purpose of qualifying for

senior property tax programs. Revised for 1st Substitute: Concerning property tax exemptions for service-connected disabled veterans and senior citizens.

MOTIONS

On motion of Senator Benton, Substitute Senate Bill No. 5186 was substituted for Senate Bill No. 5186 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Benton, the rules were suspended, Substitute Senate Bill No. 5186 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Benton and Rolfes spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5186.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5186 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

SUBSTITUTE SENATE BILL NO. 5186, 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. 5915, by Senators Brown, Angel, Miloscia, Braun, Dansel, Schoesler, Hewitt and Chase

Concerning dynamic fiscal impact statements. Revised for 1st Substitute: Addressing fiscal notes and fiscal impact statements.

MOTION

On motion of Senator Brown, Substitute Senate Bill No. 5915 was substituted for Senate Bill No. 5915 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Hargrove moved that the following striking amendment by Senator Hargrove be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 43.88A.010 and 1977 ex.s. c 25 s 1 are each amended to read as follows:

The legislature hereby recognizes the necessity of developing a uniform and coordinated procedure for determining the expected fiscal impact of bills and resolutions on state government. The legislature also recognizes that developing ((such)) these statements of fiscal impact((, which shall be known

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as fiscal notes,)) requires the designation of a state agency to be principally responsible ((therefor)) for the statements. The statements are to be known as fiscal notes and dynamic fiscal impact statements.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.88A RCW to read as follows:

(1)(a) For purposes of this chapter, a dynamic fiscal impact statement is: (i) A written statement that includes a dynamic impact estimate of the legislation or proposed legislation; and (ii) contained only in the narrative explanation of the fiscal note and not reflected in the fiscal impact calculation required by RCW 43.88A.020.

(b) A dynamic fiscal impact statement must include information on the assumptions that were used in computing the dynamic impact estimate. The dynamic impact estimate should, at a minimum, be based on assumptions of the probable behavioral response of persons directly impacted by the legislation or proposed legislation.

(2) Dynamic fiscal impact statements may be produced only on request from members of the senate ways and means committee, house ways and means committee, or any successor committee to these committees.

(3) Dynamic fiscal impact statements may not be made unless the fiscal note in which it would be contained reflects a positive or negative revenue impact of more than ten million dollars per fiscal year.

(4) Requests for dynamic fiscal impact statements must be submitted to the office of financial management at least sixty days before the beginning of a legislative session.

(5) Nothing in this section may be construed to limit the provisions of chapter 43.132 RCW.

(6) For purposes of this chapter, "dynamic impact estimate" means an estimate of the net fiscal impact of a bill, resolution, or proposed legislation that takes into account behavioral changes of persons directly impacted by the legislation or proposed legislation and the effect that those behavioral changes may have on the economy as a whole. Dynamic impact estimates may take into consideration factors such as the effects of the legislation or proposed legislation on persons to save, spend, invest, and expand or reduce their business activities in this state.

Sec. 3. RCW 43.88A.020 and 2011 c 140 s 1 are each amended to read as follows:

(1)(a) The office of financial management shall, in cooperation with appropriate legislative committees and legislative staff, establish a procedure for the provision of fiscal notes on the expected impact of bills and resolutions which increase or decrease or tend to increase or decrease state government revenues or expenditures.

(b) Beginning January 1, 2017, and if requested by a member of a legislative fiscal committee for legislation projected to result in an increase or decrease in state expenditures exceeding five million dollars, fiscal notes dealing with corrections, child welfare, and mental health issues shall include, in addition to the increases or decreases of state government revenue and expenditures, an estimate of the fiscal impact of expenditure reductions or increases on other state or local program expenditures as well as any return on investment as a result of the legislation.

(2) Such fiscal notes shall indicate by fiscal year the impact for the remainder of the biennium in which the bill or resolution will first take effect as well as a cumulative forecast of the fiscal impact for the succeeding four fiscal years.

(3) Fiscal notes shall separately identify the fiscal impacts on the operating and capital budgets. Estimates of fiscal impacts shall be calculated using the procedures contained in the fiscal note instructions issued by the office of financial management. (4) In establishing the fiscal impact called for pursuant to this chapter, the office of financial management shall coordinate the development of fiscal notes with all state agencies affected.

(5) The preparation and dissemination of the ongoing cost projections and other requirements of RCW 43.135.031 for bills increasing taxes or fees shall take precedence over fiscal notes.

(6) For proposed legislation that uniquely affects school districts, in addition to any fiscal note prepared under this chapter, a school district fiscal note must be prepared under the process established in RCW 28A.300.0401.

<u>NEW SECTION</u>. Sec. 4. (1)(a) The legislature recognizes the increasing importance of having complete information to establish and enforce budgetary priorities, coordinate actions on spending and revenue legislation, and develop budgetary and economic information independently of the executive branch.

(b) The legislature finds it is critically important for the legislature to have more information about the longer-term and holistic impact of budget decisions, particularly in light of the four-year balanced budget requirement.

(c) The legislature intends to spend public resources in a manner that is transparent and accountable. To accomplish this goal, it needs appropriate fiscal information to make evidence-based investments.

(d) The legislature believes that to enhance its ability to make sound fiscal decisions, fiscal notes should include not only the expenditure and revenue data associated with legislation but also the impact of expenditure reductions or increases on other state and local programs, including the rate of return on any fiscal decision the legislature makes.

(2)(a) The director of the office of financial management and the director of the Washington state institute for public policy shall convene a work group to explore the establishment of a nonpartisan agency to conduct objective, impartial fiscal analysis on behalf of the legislature. The directors shall be the cochairs of the work group.

(b) The work group shall consider whether the Washington state institute for public policy should subsume the functions of impartial fiscal analysis on behalf of the legislature.

(c) The work group shall conduct a study of the accuracy and reliability of fiscal notes by examining a sample of fiscal notes on enacted legislation to compare the projected cost of the legislation with the actual costs incurred in the legislation's implementation.

(d) The work group shall be comprised of at least the following members:

(i) One member from each of the two largest caucuses of the senate chosen by the president of the senate;

(ii) One member from each of the two largest caucuses of the house of representatives chosen by the speaker of the house of representatives;

(iii) One representative from the legislative evaluation and accountability program committee;

(iv) One representative from the office of the state treasurer;

(v) One representative of the caseload forecast council; and

(vi) One representative of the economic and revenue forecast council.

(e) The first meeting of the work group shall occur no later than August 1, 2015.

(f) The work group shall report its findings and recommendations to the governor and the appropriate committees of the legislature no later than December 1, 2016.

(g) This section expires June 30, 2017.

<u>NEW SECTION.</u> Sec. 5. Sections 1, 2, and 3 of this act expire June 30, 2022."

Senators Hargrove and Brown spoke in favor of adoption of the striking amendment.

MOTION

On motion of Senator Habib, Senator Frockt was excused.

The President declared the question before the Senate to be the adoption of the striking amendment by Senator Hargrove to Substitute Senate Bill No. 5915.

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

MOTION

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

On page 1, line 1 of the title, after "notes;" strike the remainder of the title and insert "amending RCW 43.88A.010 and 43.88A.020; adding a new section to chapter 43.88A RCW; creating a new section; and providing expiration dates."

MOTION

On motion of Senator Brown, the rules were suspended, Engrossed Substitute Senate Bill No. 5915 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

REMARKS BY THE PRESIDENT

President Owen: "The President is going to take a moment to just make a comment because he's noticed in the last few days, people are beginning to stand up hold their microphone while someone else is still speaking. The President assumes at that point that you want speak or you want to make a point of order of some kind. So, I would ask that you would wait to stand until the person speaking is done. And that goes doubly for you. [Senator Hargrove]"

Senator Brown spoke in favor of passage of the bill.

REMARKS BY THE PRESIDENT

President Owen: "I see my comments worked. Senator Hargrove."

REPLY BY SENATOR HARGROVE

Senator Hargrove: "I put the microphone down. It was going to take too many calories to sit down and stand back up again."

Senators Hargrove, Miloscia and Hasegawa 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. 5915.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5915 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5915, 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. 5153, by Senators Billig, Roach, Sheldon, Fain, Liias, Mullet, Fraser, Dansel, McCoy, Rolfes, Cleveland, Darneille, Habib, Padden, Nelson, Benton, Chase, Keiser, Jayapal, Hasegawa and Frockt

Increasing transparency of campaign contributions.

The measure was read the second time.

MOTION

Senator Billig moved that the following striking amendment by Senator Billig be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. The legislature finds that the public has the right to know who is contributing to election campaigns in Washington state and that campaign finance disclosure deters corruption, increases public confidence in Washington state elections, and strengthens our representative democracy.

The legislature finds that campaign finance disclosure is overwhelmingly supported by the citizens of Washington state as evidenced by the two initiatives that largely established Washington's current campaign finance system. Both passed with over seventy-two percent of the popular vote, as well as winning margins in every county in the state.

The legislature finds that nonprofit organizations are increasingly engaging in campaign activities in Washington state and across the country, including taking a more active role in contributing to candidate and ballot proposition campaigns. In some cases, these activities are occurring without adequate public disclosure due to loopholes in campaign finance regulations.

Therefore, the legislature intends to increase transparency and accountability, deter corruption, and strengthen confidence in the election process by closing campaign finance disclosure loopholes and requiring the disclosure of contributions and expenditures by nonprofit organizations that participate significantly in Washington state elections.

Sec. 2. RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are each reenacted and amended to read as follows:

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

(1) "Actual malice" means to act with knowledge of falsity or with reckless disregard as to truth or falsity.

(2) "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.

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(3) "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.

(4) "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency before its circulation for signatures.

(5) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.

(6) "Bona fide political party" means:

(a) An organization that has been recognized as a minor political party by the secretary of state;

(b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or

(c) The county central committee or legislative district committee of a major political party. There may be only one legislative district committee for each party in each legislative district.

(7) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first:

(a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office;

(b) Announces publicly or files for office;

(c) Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

(d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.

(8) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.

(9) "Commercial advertiser" means any person who sells the service of communicating messages or producing printed material for broadcast or distribution to the general public or segments of the general public whether through the use of newspapers, magazines, television and radio stations, billboard companies, direct mail advertising companies, printing companies, or otherwise.

(10) "Commission" means the agency established under RCW 42.17A.100.

(11) "Compensation" unless the context requires a narrower meaning, includes payment in any form for real or personal property or services of any kind. For the purpose of compliance with RCW 42.17A.710, "compensation" does not include per diem allowances or other payments made by a governmental entity to reimburse a public official for expenses incurred while the official is engaged in the official business of the governmental entity.

(12) "Continuing political committee" means a political committee that is an organization of continuing existence not established in anticipation of any particular election campaign.

(13)(a) "Contribution" includes:

(i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;

(ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;

(iii) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising or electioneering communication prepared by a candidate, a political committee, or its authorized agent;

(iv) Sums paid for tickets to fund-raising events such as dinners and parties, except for the actual cost of the consumables furnished at the event.

(b) "Contribution" does not include:

(i) Standard interest on money deposited in a political committee's account;

(ii) Ordinary home hospitality;

(iii) A contribution received by a candidate or political committee that is returned to the contributor within five business days of the date on which it is received by the candidate or political committee;

(iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political committee;

(v) An internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(vi) The rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this subsection, means services or labor for which the individual is not compensated by any person;

(vii) Messages in the form of reader boards, banners, or yard or window signs displayed on a person's own property or property occupied by a person. However, a facility used for such political advertising for which a rental charge is normally made must be reported as an in-kind contribution and counts towards any applicable contribution limit of the person providing the facility;

(viii) Legal or accounting services rendered to or on behalf of:

(A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or

(B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws; or

(ix) The performance of ministerial functions by a person on behalf of two or more candidates or political committees either as volunteer services defined in (b)(vi) of this subsection or for payment by the candidate or political committee for whom the services are performed as long as:

(A) The person performs solely ministerial functions;

(B) A person who is paid by two or more candidates or political committees is identified by the candidates and political committees on whose behalf services are performed as part of their respective statements of organization under RCW 42.17A.205; and

(C) The person does not disclose, except as required by law, any information regarding a candidate's or committee's plans, projects, activities, or needs, or regarding a candidate's or committee's contributions or expenditures that is not already publicly available from campaign reports filed with the commission, or otherwise engage in activity that constitutes a contribution under (a)(ii) of this subsection.

A person who performs ministerial functions under this subsection (13)(b)(ix) is not considered an agent of the candidate or committee as long as he or she has no authority to authorize expenditures or make decisions on behalf of the candidate or committee.

(c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution. Services or property or rights furnished at less than their fair market value for the purpose of assisting any candidate or political committee are deemed a contribution. Such a contribution must be reported as an in-kind contribution at its fair market value and counts towards any applicable contribution limit of the provider.

(14) "Depository" means a bank, mutual savings bank, savings and loan association, or credit union doing business in this state.

(15) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.

(16) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.

(17) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office and any campaign in support of, or in opposition to, a ballot proposition.

(18) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.

(19)(a) "Electioneering communication" means any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that:

(i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;

(ii) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and

(iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of one thousand dollars or more.

(b) "Electioneering communication" does not include:

(i) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that

advertising appearing at least twelve months preceding his or her becoming a candidate:

(ii) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;

(iii) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is:

(A) Of primary interest to the general public;

(B) In a news medium controlled by a person whose business is that news medium; and

(C) Not a medium controlled by a candidate or a political committee;

(iv) Slate cards and sample ballots;

(v) Advertising for books, films, dissertations, or similar works (A) written by a candidate when the candidate entered into a contract for such publications or media at least twelve months before becoming a candidate, or (B) written about a candidate;

(vi) Public service announcements;

(vii) A mailed internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(viii) An expenditure by or contribution to the authorized committee of a candidate for state, local, or judicial office; or

(ix) Any other communication exempted by the commission through rule consistent with the intent of this chapter.

(20) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" ((shall)) does not include the partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been properly reported.

(21) "Final report" means the report described as a final report in RCW 42.17A.235(2).

(22) "General election" for the purposes of RCW 42.17A.405 means the election that results in the election of a person to a state or local office. It does not include a primary.

(23) "Gift" has the definition in RCW 42.52.010.

(24) "Immediate family" includes the spouse or domestic partner, dependent children, and other dependent relatives, if living in the household. For the purposes of the definition of "intermediary" in this section, "immediate family" means an individual's spouse or domestic partner, and child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual and the spouse or the domestic partner of any such person and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual's spouse or domestic partner and the spouse or the domestic partner of any such person.

(25)(a) "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in support of, or opposition to, any candidate or any ballot proposition in Washington, directly or through a political committee.

(b) "Incidental committee" does not include any organization under section 527 of the internal revenue code of 1986 that meets or exceeds the reporting requirements of this chapter in its public filings with the federal election commission.

(26) "Incumbent" means a person who is in present possession of an elected office.

(((26))) (27) "Independent expenditure" means an expenditure that has each of the following elements:

(a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

(b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and

(c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of eight hundred dollars or more. A series of expenditures, each of which is under eight hundred dollars, constitutes one independent expenditure if their cumulative value is eight hundred dollars or more.

(((27)))(28)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.

(b) A treasurer or a candidate is not an intermediary for purposes of the committee that the treasurer or candidate serves.

(c) A professional fund-raiser is not an intermediary if the fund-raiser is compensated for fund-raising services at the usual and customary rate.

(d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.

(((28))) (29) "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.

(((29))) (30) "Legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.

(((30))) (31) "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state administrative procedure act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.

(((31))) (32) "Lobbyist" includes any person who lobbies either in his or her own or another's behalf.

(((32))) (33) "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.

(((33))) <u>(34)</u> "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.

(((34))) (35) "Participate" means that, with respect to a particular election, an entity:

(a) Makes either a monetary or in-kind contribution to a candidate;

(b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;

(c) Endorses a candidate before contributions are made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent;

(d) Makes a recommendation regarding whether a candidate should be supported or opposed before a contribution is made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or

(e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.

(((35))) (36) "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

(((36))) (37) "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.

(((37))) (38) "Political committee" means any person (except a candidate or an individual dealing with his or her own funds or property), organized or located inside or outside the state, having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition <u>in Washington</u>.

(((38))) (39) "Primary" for the purposes of RCW 42.17A.405 means the procedure for nominating a candidate to state or local office under chapter 29A.52 RCW or any other primary for an election that uses, in large measure, the procedures established in chapter 29A.52 RCW.

(((39))) (40) "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.

(((40))) (41) "Public record" has the definition in RCW 42.56.010.

(((41))) (42) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29A.56.120 and ending thirty days after the recall election.

(((42))) (43)(a) "Sponsor" for purposes of an electioneering communications, independent expenditures, or political advertising means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.

(b) "Sponsor," for purposes of a political committee, means any person, except an authorized committee, to whom any of the following applies: (i) The committee receives eighty percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders;

(ii) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

(((43))) (44) "Sponsored committee" means a committee, other than an authorized committee, that has one or more sponsors.

(((44))) (45) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.

(((45))) (46) "State official" means a person who holds a state office.

(((46))) (47) "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts when it makes its final report under RCW 42.17A.255.

(((47))) (48) "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political committee, pursuant to RCW 42.17A.210, to perform the duties specified in that section.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 42.17A RCW to read as follows:

The commission shall provide a link on its web site to a searchable database on the web site of the federal election commission containing information on organizations under section 527 of the internal revenue code of 1986.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 42.17A RCW to read as follows:

(1)(a) An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first:

(i) Has the expectation of making contributions or expenditures of at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee; and

(ii) Must disclose a contribution under RCW 42.17A.240(2)(d).

(b) If an incidental committee first meets the criteria requiring filing a statement of organization as specified in (a) of this subsection in the last three weeks before an election, then it must file the statement of organization within three business days.

(c) An incidental committee that does not make contributions or expenditures in the amounts specified in (a) of this subsection is not required to file a statement of organization with the commission.

(2) The statement of organization shall include but not be limited to:

(a) The name and address of the committee;

(b) The names and addresses of all related or affiliated political or incidental committees or other persons, and the nature of the relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders and the name of the person designated as the treasurer of the incidental committee; (d) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing if the committee contributes directly to a candidate and, if donating to a political committee, the name and address of that political committee;

(e) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition; and

(f) Such other information as the commission may by rule prescribe, in keeping with the policies and purposes of this chapter.

(3) Any material change in information previously submitted in a statement of organization shall be reported to the commission within the ten days following the change.

Sec. 5. RCW 42.17A.235 and 2011 c 60 s 23 are each amended to read as follows:

(1) In addition to the information required under RCW 42.17A.205 and 42.17A.210, on the day the treasurer is designated, each candidate or political committee, except for incidental committees, must file with the commission a report of all contributions received and expenditures made prior to that date, if any. In addition to the information required under RCW 42.17A.205 and 42.17A.210, on the day an incidental committee files a statement of organization with the commission, each incidental committee must file with the commission a report of the ten largest aggregate contributions received in the current calendar year from a single person of ten thousand dollars or greater, including any persons tied as the tenth largest source of funds, if any, and all aggregate contributions received in the current calendar year from a single person of one hundred thousand dollars or greater.

(2) Each treasurer of a political committee or incidental committee required to file a statement of organization under section 4 of this act shall file with the commission a report containing the information required by RCW 42.17A.240 at the following intervals:

(a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held;

(b) On the tenth day of the first month after the election; and

(c) On the tenth day of each month in which no other reports are required to be filed under this section only if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars. <u>An incidental committee must file</u> the report required by this subsection (2) only if there has been a change in its ten largest contributors over ten thousand dollars during the current calendar year, including any persons tied as the tenth largest contributor, or if a person not previously listed in a report required under this subsection (2) has contributed one hundred thousand dollars or more in aggregate to the incidental committee during the calendar year.

The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. The report filed seven days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. Reports filed on the tenth day of the month shall report all contributions received and expenditures made from the closing date of the last report filed through the last day of the month preceding the date of the current report.

(3) For the period beginning the first day of the fourth month preceding the date of the special election, or for the period beginning the first day of the fifth month before the date of the general election, and ending on the date of that special or general election, each Monday the treasurer of a political committee shall

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file with the commission a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds and the amount contributed by each person. However, persons who contribute no more than twenty-five dollars in the aggregate are not required to be identified in the report. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.

(4) The treasurer or candidate of a political committee shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17A.205, the books of account must be open for public inspection by appointment at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any day from the eighth day immediately before the election through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days. The appointment must be allowed at an authorized time and day for such inspections that is within twenty-four hours of the time and day that is requested for the inspection.

(5) Copies of all reports filed pursuant to this section shall be readily available for public inspection by appointment, pursuant to subsection (4) of this section, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission.

(6) The treasurer or candidate shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

(7) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

(8) When there is no outstanding debt or obligation, the campaign fund is closed, and the campaign is concluded in all respects or in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there is no obligation to make any further reports.

(9) By December 31, 2015, the commission shall adopt rules for the dissolution of incidental committees.

Sec. 6. RCW 42.17A.240 and 2010 c 204 s 409 are each amended to read as follows:

Each report required under RCW 42.17A.235 (1) and (2) must be certified as correct by the treasurer and the candidate and shall disclose the following:

(1) The funds on hand at the beginning of the period;

(2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:

(a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;

(b) Income that results from a fund-raising activity conducted in accordance with RCW 42.17A.230 may be reported as one lump sum, with the exception of that portion received from persons whose names and addresses are required to be included in the report required by RCW 42.17A.230;

(c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor; ((and))

(d) <u>Funds received by an incidental committee from any one</u> person need not be reported unless:

(i) The person is one of the committee's ten largest sources of funds, including any persons tied as the tenth largest source of funds, during the current calendar year, and the aggregate funds received from that person during the current calendar year are ten thousand dollars or greater; or

(ii) The person contributed one hundred thousand dollars or more to the incidental committee during the current calendar year;

(e) The commission may suspend or modify reporting requirements for contributions to an incidental committee in cases of manifestly unreasonable hardship under RCW 42.17A.120; and

(f) The money value of contributions of postage ((shall be)) is the face value of the postage;

(3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;

(4) All other contributions not otherwise listed or exempted;

(5) The name and address of each candidate or political committee to which any transfer of funds was made, including the amounts and dates of the transfers;

(6) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures;

(7) The name and address of each person directly compensated for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection (6) of this section;

(8) The name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days;

(9) The surplus or deficit of contributions over expenditures; (10) The disposition made in accordance with RCW 42.17A.430 of any surplus funds; and

(11) Any other information required by the commission by rule in conformance with the policies and purposes of this chapter.

Sec. 7. RCW 42.17A.250 and 2010 c 204 s 411 are each amended to read as follows:

 $(((1) \text{ An out-of-state})) \underline{A}$ political committee $((\text{organized for the purpose of supporting or opposing candidates or ballot propositions in another state that is not otherwise required to report under RCW 42.17A.205 through 42.17A.240 shall report as required in this section when it makes an expenditure supporting or opposing a Washington state candidate or political committee. The committee shall file with the commission a statement disclosing:$

(a) Its name and address;

(b) The purposes of the out-of-state committee;

(c) The names, addresses, and titles of its officers or, if it has no officers, the names, addresses, and the titles of its responsible leaders:

(d) The name, office sought, and party affiliation of each candidate in the state of Washington whom the out of state committee is supporting or opposing and, if the committee is supporting or opposing the entire ticket of any party, the name of the party:

(e) The ballot proposition supported or opposed in the state of Washington, if any, and whether the committee is in favor of or opposed to that proposition;

(f) The name and address of each person residing in the state of Washington or corporation that has a place of business in the state of Washington who has made one or more contributions in the aggregate of more than twenty five dollars to the out-of state committee during the current-calendar year, together with the money value and date of the contributions;

(g) The name, address, and employer of each person or corporation residing outside the state of Washington who has made one or more contributions in the aggregate of more than two thousand five hundred fifty dollars to the out of state committee during the current calendar year, together with the money value and date of the contributions. Annually, the commission must modify the two thousand five hundred fifty dollar limit in this subsection based on percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve month period by the bureau of economic analysis of the federal department of commerce;

(h) The name and address of each person in the state of Washington to whom an expenditure was made by the out of state committee with respect to a candidate or political committee in the aggregate amount of more than fifty dollars, the amount, date, and purpose of the expenditure, and the total sum of the expenditures; and

(i) Any other information as the commission may prescribe by rule in keeping with the policies and purposes of this chapter.

(2) Each statement shall be filed no later than the tenth day of the month following any month in which a contribution or other expenditure reportable under subsection (1) of this section is made. An out of state committee incurring an obligation to file additional statements in a calendar year may satisfy the obligation by timely filing reports that supplement previously filed information)) or incidental committee organized outside the state of Washington is subject to the same requirements under this chapter as a political committee or incidental committee organized in the state of Washington.

<u>NEW SECTION.</u> Sec. 8. This act may be known and cited as the dark money elimination act.

<u>NEW SECTION.</u> Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

On page 1, line 2 of the title, after "contributions;" strike the remainder of the title and insert "amending RCW 42.17A.235, 42.17A.240, and 42.17A.250; reenacting and amending RCW 42.17A.005; adding new sections to chapter 42.17A RCW; and creating new sections."

WITHDRAWAL OF AMENDMENT

On motion of Senator Billig, the striking amendment by Senator Billig to Senate Bill No. 5153 was withdrawn.

MOTION

Senator Billig moved that the following striking amendment by Senators Billig and Fain be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. The legislature finds that the public has the right to know who is contributing to election campaigns in Washington state and that campaign finance disclosure deters corruption, increases public confidence in Washington state elections, and strengthens our representative democracy.

The legislature finds that campaign finance disclosure is overwhelmingly supported by the citizens of Washington state as evidenced by the two initiatives that largely established Washington's current campaign finance system. Both passed with over seventy-two percent of the popular vote, as well as winning margins in every county in the state.

The legislature finds that nonprofit organizations are increasingly engaging in campaign activities in Washington state and across the country, including taking a more active role in contributing to candidate and ballot proposition campaigns. In some cases, these activities are occurring without adequate public disclosure due to loopholes in campaign finance regulations.

Therefore, the legislature intends to increase transparency and accountability, deter corruption, and strengthen confidence in the election process by closing campaign finance disclosure loopholes and requiring the disclosure of contributions and expenditures by nonprofit organizations that participate significantly in Washington state elections.

Sec. 2. RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are each reenacted and amended to read as follows:

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

(1) "Actual malice" means to act with knowledge of falsity or with reckless disregard as to truth or falsity.

(2) "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.

(3) "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.

(4) "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency before its circulation for signatures.

(5) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.

(6) "Bona fide political party" means:

(a) An organization that has been recognized as a minor political party by the secretary of state;

(b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body

authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or

(c) The county central committee or legislative district committee of a major political party. There may be only one legislative district committee for each party in each legislative district.

(7) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first:

(a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office;

(b) Announces publicly or files for office;

(c) Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

(d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.

(8) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.

(9) "Commercial advertiser" means any person who sells the service of communicating messages or producing printed material for broadcast or distribution to the general public or segments of the general public whether through the use of newspapers, magazines, television and radio stations, billboard companies, direct mail advertising companies, printing companies, or otherwise.

(10) "Commission" means the agency established under RCW 42.17A.100.

(11) "Compensation" unless the context requires a narrower meaning, includes payment in any form for real or personal property or services of any kind. For the purpose of compliance with RCW 42.17A.710, "compensation" does not include per diem allowances or other payments made by a governmental entity to reimburse a public official for expenses incurred while the official is engaged in the official business of the governmental entity.

(12) "Continuing political committee" means a political committee that is an organization of continuing existence not established in anticipation of any particular election campaign.

(13)(a) "Contribution" includes:

(i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;

(ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;

(iii) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising or electioneering communication prepared by a candidate, a political committee, or its authorized agent;

(iv) Sums paid for tickets to fund-raising events such as dinners and parties, except for the actual cost of the consumables furnished at the event.

(b) "Contribution" does not include:

(i) Standard interest on money deposited in a political committee's account;

(ii) Ordinary home hospitality;

(iii) A contribution received by a candidate or political committee that is returned to the contributor within five business days of the date on which it is received by the candidate or political committee;

(iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political committee;

(v) An internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(vi) The rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this subsection, means services or labor for which the individual is not compensated by any person;

(vii) Messages in the form of reader boards, banners, or yard or window signs displayed on a person's own property or property occupied by a person. However, a facility used for such political advertising for which a rental charge is normally made must be reported as an in-kind contribution and counts towards any applicable contribution limit of the person providing the facility;

(viii) Legal or accounting services rendered to or on behalf of:

(A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or

(B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws; or

(ix) The performance of ministerial functions by a person on behalf of two or more candidates or political committees either as volunteer services defined in (b)(vi) of this subsection or for payment by the candidate or political committee for whom the services are performed as long as:

(A) The person performs solely ministerial functions;

(B) A person who is paid by two or more candidates or political committees is identified by the candidates and political committees on whose behalf services are performed as part of their respective statements of organization under RCW 42.17A.205; and

(C) The person does not disclose, except as required by law, any information regarding a candidate's or committee's plans, projects, activities, or needs, or regarding a candidate's or committee's contributions or expenditures that is not already publicly available from campaign reports filed with the commission, or otherwise engage in activity that constitutes a contribution under (a)(ii) of this subsection.

A person who performs ministerial functions under this subsection (13)(b)(ix) is not considered an agent of the candidate or committee as long as he or she has no authority to authorize expenditures or make decisions on behalf of the candidate or committee.

(c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution. Services or property or rights furnished at less than their fair market value for the purpose of assisting any candidate or political committee are deemed a contribution. Such a contribution must be reported as an in-kind contribution at its fair market value and counts towards any applicable contribution limit of the provider.

(14) "Depository" means a bank, mutual savings bank, savings and loan association, or credit union doing business in this state.

(15) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.

(16) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.

(17) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office and any campaign in support of, or in opposition to, a ballot proposition.

(18) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.

(19)(a) "Electioneering communication" means any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that:

(i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;

(ii) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and

(iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of one thousand dollars or more.

(b) "Electioneering communication" does not include:

(i) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising appearing at least twelve months preceding his or her becoming a candidate;

(ii) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;

(iii) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is:

(A) Of primary interest to the general public;

(B) In a news medium controlled by a person whose business is that news medium; and

(C) Not a medium controlled by a candidate or a political committee;

(iv) Slate cards and sample ballots;

(v) Advertising for books, films, dissertations, or similar works (A) written by a candidate when the candidate entered into a contract for such publications or media at least twelve months before becoming a candidate, or (B) written about a candidate;

(vi) Public service announcements;

(vii) A mailed internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(viii) An expenditure by or contribution to the authorized committee of a candidate for state, local, or judicial office; or

(ix) Any other communication exempted by the commission through rule consistent with the intent of this chapter.

(20) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" ((shall)) does not include the partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been properly reported.

(21) "Final report" means the report described as a final report in RCW 42.17A.235(2).

(22) "General election" for the purposes of RCW 42.17A.405 means the election that results in the election of a person to a state or local office. It does not include a primary.

(23) "Gift" has the definition in RCW 42.52.010.

(24) "Immediate family" includes the spouse or domestic partner, dependent children, and other dependent relatives, if living in the household. For the purposes of the definition of "intermediary" in this section, "immediate family" means an individual's spouse or domestic partner, and child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual and the spouse or the domestic partner of any such person and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual's spouse or domestic partner and the spouse or the domestic partner of any such person.

(25)(a) "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in support of, or opposition to, any candidate or any ballot proposition in Washington, directly or through a political committee.

(b) "Incidental committee" does not include any organization registered under section 527 of the internal revenue code of 1986 that files disclosure reports with the public disclosure commission, disclosure reports with the federal elections commission, or public quarterly filings with the internal revenue service.

(26) "Incumbent" means a person who is in present possession of an elected office.

(((26))) (27) "Independent expenditure" means an expenditure that has each of the following elements:

(a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

(b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and

(c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of eight hundred dollars or more. A series of expenditures, each of which is under eight hundred dollars, constitutes one independent expenditure if their cumulative value is eight hundred dollars or more.

(((27)))(28)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.

(b) A treasurer or a candidate is not an intermediary for purposes of the committee that the treasurer or candidate serves.

(c) A professional fund-raiser is not an intermediary if the fund-raiser is compensated for fund-raising services at the usual and customary rate.

(d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.

(((28))) (29) "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.

(((29))) (30) "Legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.

(((30))) (31) "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state administrative procedure act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.

(((31))) (32) "Lobbyist" includes any person who lobbies either in his or her own or another's behalf.

(((32))) (33) "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.

(((33))) (34) "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.

(((34))) (35) "Participate" means that, with respect to a particular election, an entity:

(a) Makes either a monetary or in-kind contribution to a candidate;

(b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;

(c) Endorses a candidate before contributions are made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent;

(d) Makes a recommendation regarding whether a candidate should be supported or opposed before a contribution is made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or (e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.

(((35))) (36) "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

(((36))) (37) "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.

(((37))) (38) "Political committee" means any person (except a candidate or an individual dealing with his or her own funds or property), organized or located inside or outside the state, having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition in Washington.

(((38))) (39) "Primary" for the purposes of RCW 42.17A.405 means the procedure for nominating a candidate to state or local office under chapter 29A.52 RCW or any other primary for an election that uses, in large measure, the procedures established in chapter 29A.52 RCW.

(((39))) (40) "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.

(((40))) (41) "Public record" has the definition in RCW 42.56.010.

(((41))) (42) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29A.56.120 and ending thirty days after the recall election.

(((42))) (43)(a) "Sponsor" for purposes of an electioneering communications, independent expenditures, or political advertising means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.

(b) "Sponsor," for purposes of a political committee, means any person, except an authorized committee, to whom any of the following applies:

(i) The committee receives eighty percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders;

(ii) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

(((43))) (44) "Sponsored committee" means a committee, other than an authorized committee, that has one or more sponsors.

(((44))) (45) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.

(((45))) (46) "State official" means a person who holds a state office.

(((46))) (47) "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain

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in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts when it makes its final report under RCW 42.17A.255.

(((47))) (48) "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political committee, pursuant to RCW 42.17A.210, to perform the duties specified in that section.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 42.17A RCW to read as follows:

The commission shall provide a link on its web site to a searchable database on the web site of the federal election commission containing information on organizations under section 527 of the internal revenue code of 1986.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 42.17A RCW to read as follows:

(1)(a) An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first:

(i) Has the expectation of making contributions or expenditures of at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee; and

(ii) Must disclose a contribution under RCW 42.17A.240(2)(d).

(b) If an incidental committee first meets the criteria requiring filing a statement of organization as specified in (a) of this subsection in the last three weeks before an election, then it must file the statement of organization within three business days.

(c) An incidental committee that does not make contributions or expenditures in the amounts specified in (a) of this subsection is not required to file a statement of organization with the commission.

(2) The statement of organization shall include but not be limited to:

(a) The name and address of the committee;

(b) The names and addresses of all related or affiliated political or incidental committees or other persons, and the nature of the relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders and the name of the person designated as the treasurer of the incidental committee;

(d) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing if the committee contributes directly to a candidate and, if donating to a political committee, the name and address of that political committee;

(e) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition; and

(f) Such other information as the commission may by rule prescribe, in keeping with the policies and purposes of this chapter.

(3) Any material change in information previously submitted in a statement of organization shall be reported to the commission within the ten days following the change.

Sec. 5. RCW 42.17A.235 and 2011 c 60 s 23 are each amended to read as follows:

(1) In addition to the information required under RCW 42.17A.205 and 42.17A.210, on the day the treasurer is designated, each candidate or political committee, except for

incidental committees, must file with the commission a report of all contributions received and expenditures made prior to that date, if any. In addition to the information required under RCW 42.17A.205 and 42.17A.210, on the day an incidental committee files a statement of organization with the commission, each incidental committee must file with the commission a report of the ten largest aggregate contributions received in the current calendar year from a single person of ten thousand dollars or greater, including any persons tied as the tenth largest source of funds, if any, and all aggregate contributions received in the current calendar year from a single person of one hundred thousand dollars or greater.

(2) Each treasurer of a political committee or incidental committee required to file a statement of organization under section 4 of this act shall file with the commission a report containing the information required by RCW 42.17A.240 at the following intervals:

(a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held;

(b) On the tenth day of the first month after the election; and

(c) On the tenth day of each month in which no other reports are required to be filed under this section only if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars. <u>An incidental committee must file</u> the report required by this subsection (2) only if there has been a change in its ten largest contributors over ten thousand dollars during the current calendar year, including any persons tied as the tenth largest contributor, or if a person not previously listed in a report required under this subsection (2) has contributed one hundred thousand dollars or more in aggregate to the incidental committee during the calendar year.

The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. The report filed seven days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. Reports filed on the tenth day of the month shall report all contributions received and expenditures made from the closing date of the last report filed through the last day of the month preceding the date of the current report.

(3) For the period beginning the first day of the fourth month preceding the date of the special election, or for the period beginning the first day of the fifth month before the date of the general election, and ending on the date of that special or general election, each Monday the treasurer of a political committee shall file with the commission a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds and the amount contributed by each person. However, persons who contribute no more than twenty-five dollars in the aggregate are not required to be identified in the report. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.

(4) The treasurer or candidate <u>of a political committee</u> shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17A.205, the books of account must be open for public

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inspection by appointment at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any day from the eighth day immediately before the election through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days. The appointment must be allowed at an authorized time and day for such inspections that is within twenty-four hours of the time and day that is requested for the inspection.

(5) Copies of all reports filed pursuant to this section shall be readily available for public inspection by appointment, pursuant to subsection (4) of this section, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission.

(6) The treasurer or candidate shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

(7) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

(8) When there is no outstanding debt or obligation, the campaign fund is closed, and the campaign is concluded in all respects or in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there is no obligation to make any further reports.

(9) By December 31, 2015, the commission shall adopt rules for the dissolution of incidental committees.

Sec. 6. RCW 42.17A.240 and 2010 c 204 s 409 are each amended to read as follows:

Each report required under RCW 42.17A.235 (1) and (2) must be certified as correct by the treasurer and the candidate and shall disclose the following:

(1) The funds on hand at the beginning of the period;

(2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:

(a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;

(b) Income that results from a fund-raising activity conducted in accordance with RCW 42.17A.230 may be reported as one lump sum, with the exception of that portion received from persons whose names and addresses are required to be included in the report required by RCW 42.17A.230;

(c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor; ((and))

(d) <u>Funds received by an incidental committee from any one</u> person need not be reported unless:

(i) The person is one of the committee's ten largest sources of funds, including any persons tied as the tenth largest source of funds, during the current calendar year, and the aggregate funds received from that person during the current calendar year are ten thousand dollars or greater; or

(ii) The person contributed one hundred thousand dollars or more to the incidental committee during the current calendar year; (e) The commission may suspend or modify reporting requirements for contributions to an incidental committee in cases of manifestly unreasonable hardship under RCW 42.17A.120; and

(f) The money value of contributions of postage ((shall be)) is the face value of the postage;

(3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;

(4) All other contributions not otherwise listed or exempted;

(5) The name and address of each candidate or political committee to which any transfer of funds was made, including the amounts and dates of the transfers;

(6) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures;

(7) The name and address of each person directly compensated for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection (6) of this section;

(8) The name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days;

(9) The surplus or deficit of contributions over expenditures;

(10) The disposition made in accordance with RCW 42.17A.430 of any surplus funds; and

(11) Any other information required by the commission by rule in conformance with the policies and purposes of this chapter.

Sec. 7. RCW 42.17A.250 and 2010 c 204 s 411 are each amended to read as follows:

 $(((1) \text{ An out of state})) \underline{A}$ political committee $((\text{organized for the purpose of supporting or opposing candidates or ballot propositions in another state that is not otherwise required to report under RCW 42.17A.205 through 42.17A.240 shall report as required in this section when it makes an expenditure supporting or opposing a Washington state candidate or political committee. The committee shall file with the commission a statement disclosing:$

(a) Its name and address;

(b) The purposes of the out-of-state committee;

(c) The names, addresses, and titles of its officers or, if it has no officers, the names, addresses, and the titles of its responsible leaders;

(d) The name, office sought, and party affiliation of each candidate in the state of Washington whom the out of state committee is supporting or opposing and, if the committee is supporting or opposing the entire ticket of any party, the name of the party;

(e) The ballot proposition supported or opposed in the state of Washington, if any, and whether the committee is in favor of or opposed to that proposition;

(f) The name and address of each person residing in the state of Washington or corporation that has a place of business in the state of Washington who has made one or more contributions in the aggregate of more than twenty-five dollars to the out of state

committee during the current calendar year, together with the money value and date of the contributions;

(g) The name, address, and employer of each person or corporation residing outside the state of Washington who has made one or more contributions in the aggregate of more than two thousand five hundred fifty dollars to the out of state committee during the current calendar year, together with the money value and date of the contributions. Annually, the commission must modify the two thousand five hundred fifty dollar limit in this subsection based on percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve month period by the bureau of economic analysis of the federal department of commerce;

(h) The name and address of each person in the state of Washington to whom an expenditure was made by the out of state committee with respect to a candidate or political committee in the aggregate amount of more than fifty dollars, the amount, date, and purpose of the expenditure, and the total sum of the expenditures; and

(i) Any other information as the commission may prescribe by rule in keeping with the policies and purposes of this chapter.

(2) Each statement shall be filed no later than the tenth day of the month following any month in which a contribution or other expenditure reportable under subsection (1) of this section is made. An out of state committee incurring an obligation to file additional statements in a calendar year may satisfy the obligation by timely filing reports that supplement previously filed information)) or incidental committee organized outside the state of Washington is subject to the same requirements under this chapter as a political committee or incidental committee organized in the state of Washington.

<u>NEW SECTION.</u> Sec. 8. This act may be known and cited as the dark money elimination act.

<u>NEW SECTION.</u> Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

MOTION

Senator Billig moved that the following amendment by Senators Billig and Fain to the striking amendment be adopted:

On page 8, line 21 of the striking amendment, after "quarterly", insert "<u>semiannual, or monthly</u>"

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

The President declared the question before the Senate to be the adoption of the amendment by Senators Billig and Fain on page 8, line 21 to the striking amendment to Senate Bill No. 5153.

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

MOTION

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Billig and Fain to Senate Bill No. 5153 as amended.

The motion by Senator Billig carried and the striking amendment as amended 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 "contributions;" strike the remainder of the title and insert "amending RCW 42.17A.235, 42.17A.240, and 42.17A.250; reenacting and amending RCW 42.17A.005; adding new sections to chapter 42.17A RCW; and creating new sections."

MOTION

On motion of Senator Billig, the rules were suspended, Engrossed Senate Bill No. 5153 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Billig, Fain 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 Senate Bill No. 5153.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5153 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

ENGROSSED SENATE BILL NO. 5153, 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.

Senator Roach assumed the chair.

SECOND READING

SENATE BILL NO. 5921, by Senators Honeyford, Hatfield, Chase and Brown

Preserving the common law interpretation and application of the vested rights doctrine.

The measure was read the second time.

MOTION

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

On page 1, beginning on line 1 of the title, after "Relating to" strike all material through "doctrine" on line 2 of the title and insert "increasing certainty and predictability in the land use permit process"

Senator Honeyford spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Honeyford on page 1, line 1 to Senate Bill No. 5921.

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

MOTION

On motion of Senator Honeyford, the rules were suspended, Engrossed Senate Bill No. 5921 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Honeyford, King and Padden spoke in favor of passage of the bill.

Senators Pedersen and Fraser spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5921.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5921 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 20; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Chase, Dammeier, Dansel, Ericksen, Fain, Hargrove, Hatfield, Hewitt, Hobbs, Honeyford, King, Litzow, Miloscia, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Cleveland, Conway, Darneille, Fraser, Frockt, Habib, Hasegawa, Hill, Jayapal, Keiser, Kohl-Welles, Liias, McAuliffe, McCoy, Mullet, Nelson, Pedersen, Ranker and Rolfes

ENGROSSED SENATE BILL NO. 5921, 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. 5048, by Senators Chase, Roach, Hatfield and Miloscia

Subjecting a resolution or ordinance adopted by the legislative body of a city or town to assume a water-sewer district to a referendum.

MOTION

On motion of Senator Chase, Substitute Senate Bill No. 5048 was substituted for Senate Bill No. 5048 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Chase moved that the following striking amendment by Senators Roach and Chase be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 35.13A RCW to read as follows:

(1) Except as provided otherwise by subsection (4) of this section, a resolution or ordinance adopted by the legislative body of a city to assume jurisdiction of all or part of a water-sewer district under this chapter is subject to a referendum. If a city has adopted a resolution or ordinance to assume jurisdiction of all or part of a water-sewer district under this chapter on or after January 1, 2014, the city shall adopt a resolution or ordinance to assume jurisdiction of all or ordinance as a resolution or ordinance to assume jurisdiction of all or part of a water-sewer district under this chapter on or after January 1, 2014, the city shall adopt a resolution or ordinance confirming the assumption, which must be treated in the same manner as a resolution or ordinance to assume jurisdiction of all or part of a water-sewer district and is subject to a referendum as

described in this section. Any referendum petition to repeal the assumption resolution or ordinance must be filed with the county auditor within ten days of passage of the resolution or ordinance. Within ten days of the filing of a petition, the county auditor must confer with the petitioner concerning the form and style of the petition, issue an identification number for the petition, and write a ballot title for the measure. The ballot title must be posed as a question so that an affirmative answer to the question and a majority affirmative vote on the measure results in approval of the proposed assumption, and a negative answer to the question and a majority negative vote on the measure results in the assumption being barred. The petitioner must be notified of the identification number and ballot title within this ten-day period. After this notification, the petitioner has forty-five days in which to secure on petition forms the signatures of at least ten percent of the number of voters residing in the part of the water-sewer district subject to the assumption resolution or ordinance who voted in the most recent general election, and file the signed petitions with the county auditor. Each petition form must contain the ballot title and full text of the measure to be referred. The county auditor must verify the sufficiency of the signatures on the petitions.

(2) If sufficient valid signatures on the petitions are properly submitted, the county auditor must submit the referendum measure to the registered voters residing in the part of the water-sewer district subject to the assumption resolution or ordinance in a general or special election no later than one hundred twenty days after the signed petition has been filed with the county auditor. Elections must be conducted in accordance with general election law, and the cost of the election must be borne by the city seeking approval to assume jurisdiction of the water-sewer district. The city must produce a local voters' pamphlet as provided in RCW 29A.32.210 through 29A.32.280.

(3) When a referendum petition is filed with the county auditor, the assumption resolution or ordinance sought to be referred to the voters, and any proceedings before a boundary review board under chapter 36.93 RCW, are suspended from taking effect. Such suspension terminates when: (a) There is a final determination of insufficiency or untimeliness of the referendum petition; or (b) the assumption resolution or ordinance so referred is approved by the voters at a referendum election.

(4) If a city legislative authority assumes jurisdiction of all or part of a water-sewer district through a contract with a water-sewer district, or through an interlocal agreement with a water-sewer district under chapter 39.34 RCW, the provisions of this section do not apply.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 35.13A RCW to read as follows:

A resolution or ordinance adopted by a city in accordance with this chapter to assume jurisdiction of all or part of a district may not take effect until forty-five or more days after its adoption."

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

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Roach and Chase to Substitute Senate Bill No. 5048.

The motion by Senator Chase 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 "towns;" strike the remainder of the title and insert "and adding new sections to chapter 35.13A RCW."

MOTION

On motion of Senator Chase, the rules were suspended, Engrossed Substitute Senate Bill No. 5048 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Chase spoke in favor of passage of the bill.

POINT OF INQUIRY

Senator King: "Would the good sponsor let me ask a question of her? I'd like to know, is this bill retroactive? Does it go back in time to correct something that a city has already done or started?"

Senator Chase: "It's retroactive as of July, January 2014. Yes."

Senator Sheldon spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5048.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5048 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 21; Absent, 0; Excused, 0.

Voting yea: Senators Benton, Billig, Chase, Cleveland, Conway, Darneille, Fain, Fraser, Habib, Hargrove, Hasegawa, Hatfield, Hill, Hobbs, Keiser, Kohl-Welles, Liias, Litzow, McAuliffe, Miloscia, Nelson, Padden, Pearson, Pedersen, Ranker, Roach, Rolfes and Schoesler

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Dammeier, Dansel, Ericksen, Frockt, Hewitt, Honeyford, Jayapal, King, McCoy, Mullet, O'Ban, Parlette, Rivers, Sheldon and Warnick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5048, 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. 5139, by Senators Roach, Liias, Conway, Benton, McCoy, Dansel and Ericksen

Concerning building code standards for certain buildings four or more stories high.

The measure was read the second time.

MOTION

On motion of Senator Benton, the rules were suspended, Senate Bill No. 5139 was advanced to third reading, the second reading considered the third and the bill was placed on final passage. Senators Benton and Liias spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5139.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5139 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

SENATE BILL NO. 5139, 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. 5854, by Senators Braun, Baumgartner and Dammeier

Requiring employee organizations to submit digital copies of their collective bargaining agreements to the public employment relations commission.

The measure was read the second time.

MOTION

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

On page 3, after line 18, insert:

"<u>NEW SECTION.</u> **Sec 10.** If specific funding for purposes of this act is not provided by June 30, 2015, in the omnibus operating appropriations act, this act is null and void.

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

Senator Hasegawa spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Hasegawa on page 3, after line 18 to Senate Bill No. 5854.

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

MOTION

Senator Braun moved that the following striking amendment by Senator Braun be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 41.56 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

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<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 41.80 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 41.76 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 41.59 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 49.39 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 28B.52 RCW to read as follows:

Employers of academic employees under this chapter shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

<u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 47.64 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the commission within thirty days of the effective date of the collective bargaining agreement.

<u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 49.66 RCW to read as follows:

The employer shall submit a digital copy of their collective bargaining agreement to the department within thirty days of the effective date of the collective bargaining agreement. The department shall maintain a web site that allows the public to view and download the collective bargaining agreements submitted by employers pursuant to this section. The collective bargaining agreements shall be available in a uniform digital format. Expired collective bargaining agreements shall be available on the web site for up to ten years following expiration.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 41.58 RCW to read as follows:

The commission shall maintain a web site that allows the public to view and download the collective bargaining agreements submitted by employers pursuant to sections 1 through 8 of this act. The collective bargaining agreements shall be available in a uniform digital format. Expired collective bargaining agreements shall be available on the web site for up to ten years following expiration."

Senators Braun and Mullet spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senator Braun to Senate Bill No. 5854.

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

MOTION

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

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "digital copies of public employees' collective bargaining agreements; adding a new section to chapter 41.56 RCW; adding a new section to chapter 41.80 RCW; adding a new section to chapter 41.76 RCW; adding a new section to chapter 41.59 RCW; adding a new section to chapter 49.39 RCW; adding a new section to chapter 28B.52 RCW; adding a new section to chapter 49.66 RCW; and adding a new section to chapter 41.58 RCW."

Senator Braun moved that the rules be suspended and that Engrossed Senate Bill No. 5854 be advanced to third reading, the second reading considered the third and the bill be placed on final passage.

PARLIAMENTARY INQUIRY

Senator Hasegawa: "Was the amendment, 237, drafted to the striking amendment that was just adopted?"

REPLY BY THE PRESIDENT PRO TEMPORE

President Pro Tempore: "It was not. The amendment is, has been negated by the fact that we just have passed a striking amendment."

MOTION

Without objection, the President Pro Tempore declared the motion by Senator Braun carried, the rules were suspended, and Engrossed Senate Bill No. 5854 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

REMARKS BY SENATOR BRAUN

Seantor Braun: "First, I'd just like to speak to the amendment snafu we had. I actually thought that amendment was drafted to the striker and I would have gladly accepted that amendment. So I'll be happy to work in the House to add that amendment. I don't have any problem with that at all and I appreciate the efforts of my colleague, the Ranking Member of Commerce and Labor."

Senators Braun and Sheldon spoke in favor of passage of the bill.

Senator Hasegawa spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5854.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5854 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Braun, Brown, Dammeier, Dansel, Ericksen, Fain, Hargrove, Hewitt, Hill, Hobbs, Honeyford, King, Litzow, Miloscia, Mullet, O'Ban, Padden, Parlette, Pearson, Pedersen, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Chase, Cleveland, Conway, Darneille, Fraser, Frockt, Habib, Hasegawa, Hatfield, Jayapal, Keiser, Kohl-Welles, Liias, McAuliffe, McCoy, Nelson, Ranker and Rolfes

ENGROSSED SENATE BILL NO. 5854, 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. 5353, by Senator Angel

Concerning the service and sales of spirits, wine, and beer. Revised for 2nd Substitute: Concerning marketing opportunities for spirits produced in Washington by craft and general licensed distilleries.

MOTION

On motion of Senator Angel, Second Substitute Senate Bill No. 5353 was substituted for Senate Bill No. 5353 and the second substitute bill was placed on the second reading and read the second time.

MOTION

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

On page 3, beginning on line 10, after "<u>subsection</u>" strike all material through "<u>66.24.175</u>" on line 11 and insert "<u>do not</u> include tasting or sampling privileges"

Beginning on page 4, line 17, after "wineries" strike all material through "<u>distillery</u>" on page 5, line 9 and insert "or microbreweries combined may offer samples at a qualifying farmers market per day.

(b) Samples must be two ounces or less. A winery or microbrewery may provide a maximum of two ounces of wine or beer to a customer per day.

(c) A winery or microbrewery may advertise that it offers samples only at its designated booth, stall, or other designated location at the farmers market.

(d) Customers must remain at the designated booth, stall, or other designated location while sampling beer or wine.

(e) Winery and microbrewery licensees and employees who are involved in sampling activities under this section must hold a class 12 or class 13 alcohol server permit.

(f) A winery or microbrewery must have food available for customers to consume while sampling beer or wine, or must be adjacent to a vendor offering prepared food.

(3) The board may establish additional requirements to ensure that persons under twenty-one years of age and apparently intoxicated persons may not possess or consume alcohol under the authority granted in this section.

(4) The board may prohibit sampling at a farmers market that is within the boundaries of an alcohol impact area recognized by resolution of the board if the board finds that the sampling activities at the farmers market have an adverse effect on the reduction of chronic public inebriation in the area.

(5) If a winery or microbrewery"

Senator Angel spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Angel on page 3, line 10 to Second Substitute Senate Bill No. 5353.

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

MOTION

On motion of Senator Angel, the rules were suspended, Engrossed Second Substitute Senate Bill No. 5353 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Angel and Hasegawa spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5353.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5353 and the bill passed the Senate by the following vote: Yeas, 40; Nays, 9; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Chase, Cleveland, Conway, Ericksen, Fraser, Frockt, Habib, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Pedersen, Ranker, Rivers, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senators Dammeier, Dansel, Darneille, Fain, Hargrove, Padden, Parlette, Pearson and Roach

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5353, 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. 5607, by Senators Conway, Dammeier, Darneille, O'Ban and Padden

Concerning the complaint procedure for the modification or termination of guardianship.

MOTION

On motion of Senator Conway, Substitute Senate Bill No. 5607 was substituted for Senate Bill No. 5607 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator O'Ban moved that the following amendment by Senators O'Ban and Conway be adopted:

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

"(5) The board may send a grievance it has received regarding an active guardian case to the court's designee with a request that the court review the grievance and take any action the court deems necessary. This type of request from the board must be treated as a complaint under this section and the person who sent the complaint must be treated as the complainant. The court must direct the clerk to transmit a copy of its order to the board. Any further action taken by the board must be consistent with the court order."

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

Senator O'Ban spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senators O'Ban

and Conway on page 4, after line 5 to Substitute Senate Bill No. 5607.

The motion by Senator O'Ban carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Conway, the rules were suspended, Engrossed Substitute Senate Bill No. 5607 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Conway and Padden spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5607.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5607 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5607, 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. 5826, by Senators Mullet and Benton

Creating the Washington small business retirement marketplace.

MOTION

On motion of Senator Mullet, Substitute Senate Bill No. 5826 was substituted for Senate Bill No. 5826 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Mullet moved that the following striking amendment by Senators Mullet and Braun be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. The legislature finds that there is a retirement savings access gap in Washington; that Americans reach the median salary four years later than they did in 1980 and therefore have four fewer years of savings opportunities; and that one in six Americans retire in poverty. Employees who are unable to effectively build their retirement savings risk living on low incomes in their elderly years and are more likely to become dependent on state services. Further, small businesses, which employ more than forty percent of private sector employees in Washington, often choose not to offer retirement plans to employees due to concerns about costs, administrative burdens, and potential liability that they believe such plans would place on their business. In response, the legislature recognizes the work of the federal government in addressing these issues by establishing the myRA program: A safe, affordable, and accessible retirement vehicle designed to remove barriers to retirement savings. In addition, the legislature recognizes that many private financial services firms in Washington currently offer high quality retirement options for small businesses and their employees.

The Washington small business retirement marketplace is the most effective, efficient, and sustainable way to promote increased retirement savings in the state of Washington. The Washington small business retirement marketplace will remove barriers to entry into the retirement market for small businesses by educating small employers on plan availability and promoting, without mandated participation, qualified, low-cost, low-burden retirement savings vehicles and myRA. The marketplace furthers greater retirement plan access for the residents of Washington while ensuring that individuals participating in these retirement plans will have all the protections offered by the employee retirement income security act. Further, the Washington small business retirement marketplace will not pose any significant financial burden upon taxpayers. The Washington small business retirement marketplace will be the best way for Washington to close the retirement savings access gap, protect the fiscal stability of the state and its citizens well into the future, and further cement its place as a national leader in retirement and investor promotion and protection.

<u>NEW SECTION.</u> Sec. 2. The definitions in this section apply throughout this subchapter unless the context clearly requires otherwise.

(1) "Balanced fund" means a mutual fund that has an investment mandate to balance its portfolio holdings. The fund generally includes a mix of stocks and bonds in varying proportions according to the fund's investment outlook.

(2) "Eligible employer" means a person engaged in a business, an industry, a profession, a trade, or any other entity that is registered with the Washington state department of revenue, and satisfies the requirements to participate in the Washington small business retirement marketplace.

(3) "Enrollee" means any employee who is enrolled in an individual retirement account offered by an eligible employer through the Washington small business retirement marketplace.

(4) "myRA" means the myRA retirement program administered by the United States department of treasury that is available to all employers and employees with no fees or no minimum contribution requirements. A myRA is a Roth IRA option and investments in these accounts are backed by the United States department of treasury.

(5) "Participating employer" means any eligible employer with employees enrolled in individual retirement accounts offered through the Washington small business retirement marketplace.

(6) "Qualified default investment alternative" means types of investments identified by the federal internal revenue service for employees who do not make an investment choice or are automatically enrolled in a retirement plan.

(7) "Qualified employee" means those workers who are defined by the federal internal revenue service to be eligible to participate in a specific retirement plan.

(8) "Qualifying plans" means retirement plan options offered by private sector financial services firms that meet the requirements of this subchapter to participate in the marketplace, and myRA.

(9) "Target date or similar fund" means a hybrid mutual fund that automatically resets the asset mix of stocks, bonds, and cash

equivalents in its portfolio according to a selected time frame that is appropriate for a particular investor. A target date is structured to address a projected retirement date.

(10) "Washington small business retirement marketplace" or "marketplace" means the retirement savings program created to connect eligible employers and their employees with qualifying plans to increase retirement savings.

<u>NEW SECTION.</u> Sec. 3. (1)(a) Subject to the availability of funds under (b) of this subsection, the Washington small business retirement marketplace is created. The director shall contract with a private sector entity to establish a program that connects eligible employers with qualifying plans. The contractor shall not include any person regulated under chapter 21.20 or 48.23 RCW or who has a financial interest in any plan offered in the marketplace. The program must: (i) Establish a protocol for reviewing and approving the qualifications of private sector financial services firms that seek to participate in the marketplace; (ii) design and operate an internet web site that includes information about how eligible employers can participate in the marketplace; (iii) develop marketing materials about the marketplace that can be distributed electronically, posted on agency web sites that interact with eligible employers, or inserted into mail from the department of revenue, department of labor and industries, employment security department, the office of minority and women's business enterprises, department of licensing, and secretary of state's division of corporations; (iv) identify and promote existing federal and state tax credits and benefits for employers and employees that are related to encouraging retirement savings or participating in retirement plans; and (v) promote the benefits of retirement savings and other information that promotes financial literacy. The director may consult with the Washington state department of retirement systems, the Washington state investment board, and the department of financial institutions in designing and managing the marketplace.

(b) The department may use only federal or private funding sources, including private foundation grants, to pay for marketplace expenses. On behalf of the marketplace, the department shall seek federal and private grants and is authorized to accept any funds awarded to the department for use in the marketplace. No new state funds may be expended for the purposes of the Washington small business retirement marketplace.

(2)(a) Only self-employed individuals, sole proprietors, and employers with fewer than one hundred qualified employees at the time of enrollment, are eligible to participate in the marketplace. Prior to connecting any eligible employer with a qualifying plan in the marketplace, the director shall design a plan for the operation of the marketplace. The marketplace must approve at least three types of plans for eligible employer participation: (i) A SIMPLE IRA-type target date or other similar fund, with asset allocations and maturities designed to coincide with the expected date of retirement; (ii) a SIMPLE IRA-type balanced fund; and (iii) myRA.

(b) The marketplace may offer a minimum of two product options for the target date or other similar fund and a minimum of two product options for the balanced fund. The options must include: (i) A SIMPLE IRA-type program or other internal revenue service approved employer plan that provides for employer contributions to participating enrollee accounts; and (ii) a payroll deduction individual retirement account type program or workplace-based individual retirement accounts open to all workers in which the employer does not contribute to the employees' accounts. (c) The products must meet federal law or regulation for the plans. A range of investment options must be provided to meet the needs of investors with various levels of risk tolerance and various ages. The director shall select the product options offered on the marketplace and may add or remove product options to best meet the needs of enrollees.

(d) The director shall approve a plan for the structure and operation of the marketplace based on recommendations of the entity retained pursuant to subsection (1) of this section.

(e) The plans and accounts must include the option for enrollees to roll pretax contributions into a different individual retirement account or another eligible retirement plan after ceasing participation in a plan approved by the Washington small business retirement marketplace.

<u>NEW SECTION.</u> Sec. 4. (1) Participation in the Washington small business retirement marketplace is completely voluntary.

(2) Qualifying plans selected by the department to offer products on the marketplace may not charge enrollees more than one hundred basis points in total annual fees, and must provide information about their plan's historical investment performance. Prior to approving a product to be offered on the marketplace, the department must receive verification from the department of financial institutions pursuant to section 9 of this act that each qualifying plan meets the requirements of this section.

(3) Enrollment in any plan offered in the marketplace is not an entitlement and the legislature may modify or terminate the marketplace and the products offered.

<u>NEW SECTION</u>. Sec. 5. The director shall consult with organizations representing private sector employers, private sector employees, private and nonprofit sector retirement plan administrators and providers, and any other individuals or entities that the director determines relevant to the development of an effective and efficient method for operating the marketplace.

<u>NEW SECTION.</u> Sec. 6. The department shall not expose the state of Washington as an employer or through administration of the marketplace to any potential liability under the federal employee retirement income act of 1974. As such, the department is specifically prohibited from offering and operating a state-based retirement plan for businesses or individuals who are not employed in the state of Washington.

<u>NEW SECTION.</u> Sec. 7. Using funds provided by private foundations or other private sector entities, the director may provide incentive payments to participating employers that enroll in the marketplace and referral payments or commissions to any person licensed to sell securities under chapter 21.20 RCW or life insurance or annuities under chapter 48.23 RCW who enrolls a qualifying employer in a plan offered by the marketplace.

<u>NEW SECTION.</u> Sec. 8. The director shall report biennially to the legislature on the effectiveness and efficiency of the Washington small business retirement marketplace, including the levels of enrollment and the retirement savings levels of participating enrollees.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 43.320 RCW to read as follows:

The department, upon request of the department of commerce, must review individual retirement account products proposed for inclusion in the Washington small business retirement marketplace to confirm that the products comply with the requirements of section 4 of this act.

<u>NEW SECTION.</u> Sec. 10. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

<u>NEW SECTION.</u> Sec. 11. Sections 1 through 8 of this act are each added to chapter 43.330 RCW and codified with the subchapter heading of "Washington small business retirement marketplace.""

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

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Mullet and Braun to Substitute Senate Bill No. 5826.

The motion by Senator Mullet 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 "marketplace;" strike the remainder of the title and insert "adding new sections to chapter 43.330 RCW; adding a new section to chapter 43.320 RCW; and creating a new section."

MOTION

On motion of Senator Mullet, the rules were suspended, Engrossed Substitute Senate Bill No. 5826 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Mullet spoke in favor of passage of the bill.

Senators Padden and Bailey spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5826.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5826 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 20; Absent, 0; Excused, 0.

Voting yea: Senators Benton, Billig, Braun, Chase, Cleveland, Conway, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hill, Hobbs, Jayapal, Keiser, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, Pedersen, Ranker and Rolfes

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Brown, Dammeier, Dansel, Ericksen, Hewitt, Honeyford, King, O'Ban, Padden, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Warnick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5826, 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. 5723, by Senators Honeyford and Keiser

Concerning the amendment, recodification, decodification, or repeal of statutes relating to state capital construction funds and accounts and bond authorizations that are inactive, obsolete, or no longer necessary for continued publication in the Revised Code of Washington.

The measure was read the second time.

MOTION

On motion of Senator Honeyford, the rules were suspended, Senate Bill No. 5723 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Honeyford and Keiser spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5723.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5723 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

Voting nay: Senator Hasegawa

SENATE BILL NO. 5723, 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. 5884, by Senators Kohl-Welles, Darneille, Padden, Keiser, Conway, Chase and Hasegawa

Concerning the trafficking of persons.

MOTION

On motion of Senator Fain, Substitute Senate Bill No. 5884 was substituted for Senate Bill No. 5884 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Padden moved that the following striking amendment by Senators Padden and Kohl-Welles be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. (1) The legislature has long been committed to increasing access to support services for human trafficking victims and promoting awareness of human trafficking throughout Washington state. In 2002, Washington was the first state to work on human trafficking by enacting new laws and by creating an antitrafficking task force. In 2003, Washington was the first state to enact a law making human trafficking a crime.

Since 2002, the Washington state legislature has enacted thirty-eight laws to combat human trafficking. In 2013 and 2014, Washington received top marks from two leading

nongovernmental organizations for the strength of its antitrafficking laws. The polaris project gave Washington a perfect score of ten and Washington received an "A" report card from shared hope international's protected innocence challenge. In light of the 2010 winter olympic games taking place in Vancouver, British Columbia, the legislature enacted RCW 47.38.080, permitting an approved nonprofit to place informational human trafficking posters in restrooms located in rest areas along Interstate 5. Sporting events, such as the winter olympic games or the upcoming 2015 United States open golf tournament at Chambers Bay, provide lucrative opportunities for human traffickers to exploit adults and children for labor and sexual services. The legislature finds that an effective way to combat human trafficking is to increase awareness of human trafficking for both victims and the general public alike as well as who and how to contact for help and support services, for both victims and the general public alike.

(2) Human trafficking data are primarily obtained through a hotline reporting system in which victims and witnesses can report cases of human trafficking over the phone. Since 2007, there have been one thousand eight hundred fifty human trafficking calls made through the human trafficking victim hotline system in Washington state, and a total of four hundred thirty-two human trafficking cases reported. It is the intent of the legislature to facilitate an even wider scope of communication with human trafficking victims and witnesses by requiring human trafficking information to be posted in all public restrooms.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 7.68 RCW to read as follows:

(1) The office of crime victims advocacy is designated as the single point of contact in state government regarding the trafficking of persons.

(2) The Washington state clearinghouse on human trafficking is created as an information portal to share and coordinate statewide efforts to combat the trafficking of persons. The clearinghouse will include an internet web site operated by the office of crime victims advocacy, and will serve the following functions:

(a) Coordinating information regarding all statewide task forces relating to the trafficking of persons including, but not limited to, sex trafficking, commercial sexual exploitation of children, and labor trafficking;

(b) Publishing the findings and legislative reports of all statewide task forces relating to the trafficking of persons;

(c) Providing a comprehensive directory of resources for victims of trafficking; and

(d) Collecting and disseminating up-to-date information regarding the trafficking of persons, including news and legislative efforts, both state and federal.

Sec. 3. RCW 7.68.350 and 2003 c 266 s 1 are each amended to read as follows:

(1) There is created the Washington state task force against the trafficking of persons.

 $(2)(\underline{a})$ The task force shall consist of the following members: $(((\underline{a})))$ (<u>i) One member from each of the two largest caucuses</u>

of the senate, appointed by the president of the senate;

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

(iii) The director of the office of ((community development)) crime victims advocacy, or the director's designee;

(((b))) (iv) The secretary of the department of health, or the secretary's designee;

(((c))) (v) The secretary of the department of social and health services, or the secretary's designee;

(((d))) (vi) The director of the department of labor and industries, or the director's designee;

((((e)))) (<u>vii)</u> The commissioner of the employment security department, or the commissioner's designee;

(((f) Nine)) (viii) The attorney general or the attorney general's designee;

(ix) The superintendent of public instruction or the superintendent of public instruction's designee;

(x) The director of the department of agriculture or the director's designee;

(xi) At least one member who is a survivor of human trafficking:

(xii) Eleven members, selected by the director of the office of ((community_development)) crime victims advocacy, that represent public, community-based nonprofit, and private sector organizations ((that)), academic institutions, research-based organizations, faith-based organizations, including organizations that are diverse in viewpoint, geography, ethnicity, and culture, and in the populations served. The members must provide, directly or through their organizations, assistance to persons who are victims and survivors of trafficking, or who work on antitrafficking efforts as part of their organization's work, or both.

(b) Additional members may be selected as determined by the director of the office of crime victims advocacy to ensure representation of interested groups.

(3) The task force shall be chaired by the director of the office of ((community development)) crime victims advocacy, or the director's designee.

(4) The task force shall ((carry out)) determine the areas of focus and activity including, but not limited to, the following activities:

(a) Measure and evaluate the <u>resource needs of victims and</u> <u>survivors of human trafficking and the</u> progress of the state in trafficking prevention activities, as well as what is being done in <u>other states and nationally to combat human trafficking</u>;

(b) Identify available federal, state, and local programs that provide services to victims <u>and survivors</u> of trafficking that include, but are not limited to, health care, human services, housing, education, legal assistance, job training or preparation, interpreting services, English as a second language classes, and victim's compensation; ((and))

(c) Make recommendations on methods to provide a coordinated system of support and assistance to persons who are victims of trafficking; and

(d) Review the statutory response to human trafficking, analyze the impact and effectiveness of strategies contained in the current state laws, and make recommendations on legislation to further the state's antitrafficking efforts.

(5) The task force shall report its ((supplemental)) findings and <u>make</u> recommendations to the governor and legislature ((by June 30, 2004)) as needed.

(6) The office of ((community development)) <u>crime victims</u> <u>advocacy</u> shall provide necessary administrative and clerical support to the task force, within available resources.

(7) The members of the task force shall serve without compensation, but shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060, within available resources.

(((8) The task force expires June 30, 2004.))

Sec. 4. RCW 7.68.801 and 2013 c 253 s 1 are each amended to read as follows:

(1) The commercially sexually exploited children statewide coordinating committee is established to address the issue of children who are commercially sexually exploited, to examine the practices of local and regional entities involved in addressing

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sexually exploited children, and to make recommendations on statewide laws and practices.

(2) The committee is convened by the office of the attorney general and consists of the following members:

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

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

(c) A representative of the governor's office appointed by the governor;

(d) The secretary of the children's administration or his or her designee;

(e) The secretary of the juvenile rehabilitation administration or his or her designee;

(f) The attorney general or his or her designee;

(g) The superintendent of public instruction or his or her designee;

(h) A representative of the administrative office of the courts appointed by the administrative office of the courts;

(i) The executive director of the Washington association of sheriffs and police chiefs or his or her designee;

(j) The executive director of the Washington state criminal justice training commission or his or her designee;

(k) A representative of the Washington association of prosecuting attorneys appointed by the association;

(1) The executive director of the office of public defense or his or her designee;

(m) Three representatives of community service providers that provide direct services to commercially sexually exploited children appointed by the attorney general;

(n) Two representatives of nongovernmental organizations familiar with the issues affecting commercially sexually exploited children appointed by the attorney general;

(o) The president of the superior court judges' association or his or her designee;

(p) The president of the juvenile court administrators or his or her designee;

(q) Any existing chairs of regional task forces on commercially sexually exploited children;

(r) A representative from the criminal defense bar;

(s) A representative of the center for children and youth justice;

(t) A representative from the office of crime victims advocacy; and

(u) The executive director of the Washington coalition of sexual assault programs.

(3) The duties of the committee include, but are not limited to:

(a) Overseeing and reviewing the implementation of the Washington state model protocol for commercially sexually exploited children at pilot sites;

(b) Receiving reports and data from local and regional entities regarding the incidence of commercially sexually exploited children in their areas as well as data information regarding perpetrators, geographic data and location trends, and any other data deemed relevant;

(c) Receiving reports on local coordinated community response practices and results of the community responses;

(d) Reviewing recommendations from local and regional entities regarding policy and legislative changes that would improve the efficiency and effectiveness of local response practices;

(e) Making recommendations regarding policy and legislative changes that would improve the effectiveness of the state's response to and promote best practices for suppression of the commercial sexual exploitation of children; (f) Making recommendations regarding data collection useful to understanding or addressing the problem of commercially sexually exploited children; and

(g) Reviewing and making recommendations regarding strategic local investments or opportunities for federal and state funding to address the commercial sexual exploitation of children.

(4) The committee must meet no less than annually.

(5) The committee shall report its findings to the appropriate committees of the legislature and to any other known statewide committees addressing trafficking or the commercial sex trade by June 30((th of each year)), 2017.

(6) This section expires June 30, ((2015)) 2017.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 47.38 RCW to read as follows:

(1) Every establishment that maintains restrooms for use by the public may voluntarily, upon availability of the model notice as described in subsection (2) of this section, post a notice that complies with the requirements of this section in a conspicuous place within all restrooms of the establishment in clear view of the public and employees. The office of crime victims advocacy may work with businesses and other establishments and with human trafficking victim advocates to adopt policies for the placement of such notices.

(2)(a) The model notice that may be voluntarily posted pursuant to subsection (1) of this section may be in a variety of languages and include toll-free telephone numbers a person may call for assistance, including the number for the national human trafficking resource center and the number for the Washington state office of crime victims advocacy.

(b) The office of crime victims advocacy shall review and approve the initial form and content of the model notice to ensure the notice is appropriate for public display and likely to be an effective communication to reach human trafficking victims. The office of crime victims advocacy shall review the model notice on a yearly basis to ensure the information provided remains accurate.

(3) The cost of production, printing, and posting of the model notices shall be paid by a participating nonprofit at no cost to the state.

(4) The office of crime victims advocacy must provide a report to the appropriate committees of the legislature no later than December 31, 2016, regarding the voluntary participation in this effort.

<u>NEW SECTION.</u> Sec. 6. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Padden and Kohl-Welles to Substitute Senate Bill No. 5884.

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

MOTION

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

On page 1, line 1 of the title, after "persons;" strike the remainder of the title and insert "amending RCW 7.68.350 and 7.68.801; adding a new section to chapter 7.68 RCW; adding a new section to chapter 47.38 RCW; creating a new section; providing an expiration date; and declaring an emergency."

On motion of Senator Fain, the rules were suspended, Engrossed Substitute Senate Bill No. 5884 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Fain spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5884.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5884 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, Ericksen, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Jayapal, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon and Warnick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5884, 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. 5748, by Senators Litzow, Mullet, Fain, Dammeier, Hill, Rivers, Becker, King, Braun, Warnick and Bailey

Clarifying the teacher and principal evaluation process with the intent of strengthening the process.

MOTION

On motion of Senator Litzow, Substitute Senate Bill No. 5748 was substituted for Senate Bill No. 5748 and the substitute bill was placed on the second reading and read the second time.

MOTION

On motion of Senator Fain, pursuant to Rule 18, Senate Bill No. 5874, an act concerning regulatory and financial mechanisms and means to promote the retirement of coal-fired electric generation facilities, was made a special order of business to be considered at 4:58 p.m.

MOTION

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

On page 3, line 26, after "<u>However</u>," insert "<u>subject to the</u> requirements of (f)(iv) of this subsection and beginning no earlier than the 2017-18 school year,"

On page 3, line 30, after "<u>assessments.</u>" insert "<u>The</u> methodology of using student results on relevant federally mandated statewide student assessments as one of the multiple measures of student growth shall be subject to collective bargaining." On page 4, after line 2, insert the following:

"(iv) The federally mandated statewide assessments shall only be used as one of the multiple measures of student growth once the office of the superintendent of public instruction and the steering committee described in subsection (7)(a) of this section have determined that the relevant assessment meets professionally accepted standards for being a valid and reliable tool for measuring student growth and have certified that the use of relevant federally mandated statewide assessments as one of the multiple measures of student growth will strengthen and not undermine the existing teacher evaluation system."

On page 8, line 30, after "<u>However</u>," insert "<u>subject to the</u> requirements of (f)(iii) of this subsection and beginning no earlier than 2017-18 school year,"

On page 8, line 34, after "<u>assessments.</u>" insert "<u>The</u> methodology of using student results on relevant federally mandated statewide student assessments as one of the multiple measures of student growth shall be subject to collective bargaining."

On page 8, after line 40, insert the following:

"(iii) The federally mandated statewide assessments shall only be used as one of the multiple measures of student growth once the office of the superintendent of public instruction and the steering committee described in subsection (7)(a) of this section have determined that the relevant assessment meets professionally accepted standards for being a valid and reliable tool for measuring student growth and have certified that the use of relevant federally mandated statewide assessments as one of the multiple measures of student growth will strengthen and not undermine the existing principal evaluation system."

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Mullet on page 3, line 26 to Substitute Senate Bill No. 5748.

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

MOTION

On motion of Senator Litzow, the rules were suspended, Engrossed Substitute Senate Bill No. 5748 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Litzow spoke in favor of passage of the bill.

SPECIAL ORDER OF BUSINESS

SECOND READING

SENATE BILL NO. 5874, by Senators Ericksen and Ranker

Concerning regulatory and financial mechanisms and means to promote the retirement of coal-fired electric generation facilities.

The measure was read the second time.

MOTION

On motion of Senator Ericksen, Substitute Senate Bill No. 5874 was not substituted for Senate Bill No. 5874 and the substitute bill was not adopted.

MOTION

Senator Ericksen moved that the following striking amendment by Senators Ericksen and Ranker be adopted:

Strike everything after the enacting clause and insert the following:

"<u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that more information and analysis is required in order to understand the full implications of retiring eligible coal plants.

(2) The energy division of the department of commerce, in consultation with the appropriate committees of the senate and house of representatives, shall study the costs and benefits of retiring an eligible coal plant, including any environmental benefits and any effects on electric rates and reliability. The study shall also include an examination of the regulatory and financial mechanisms and means that would be required to facilitate such retirement. The department of commerce shall coordinate the study with relevant government authorities in Washington and any state where an eligible generating unit is located.

(3) A report must be delivered to the legislature by December 11, 2015.

(4) For the purposes of this section, "eligible coal plant" means a coal-fired electric generating facility that: (a) Had two or less generating units as of January 1, 1980; (b) is owned by more than one electrical company as of the effective date of this section; and (c) provides, as a portion of the load served by the coal-fired electric generating facility, electricity paid for in rates by retail electric customers in the state of Washington."

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Ericksen and Ranker to Senate Bill No. 5874.

The motion by Senator Ericksen 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 3 of the title, after "facilities;" strike the remainder of the title and insert "and creating a new section."

MOTION

On motion of Senator Ericksen, the rules were suspended, Engrossed Senate Bill No. 5874 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Ericksen and Ranker spoke in favor of passage of the bill.

MOTION

On motion of Senator Fraser, Senator Habib was excused.

Senator Honeyford spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5874.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5874 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 3; Absent, 0; Excused, 0.

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

Voting nay: Senators Dansel, Hewitt and Honeyford

ENGROSSED SENATE BILL NO. 5874, 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.

The Senate resumed consideration of Engrossed Substitute Senate Bill No. 5748 which had been deferred by the special order of business.

Senators Litzow, Mullet and Hobbs spoke in favor of passage of the bill.

Senators McAuliffe and Rolfes spoke against passage of the bill.

POINT OF ORDER

Senator Padden: "I'm sorry Madam President. There's so much noise back here I'm having a very difficult time hearing the speaker."

RULING BY THE PRESIDENT PRO TEMPORE

Senator Roach: "Can we quiet down? And, Senator Rolfes, keep your comments to the subject of the bill."

Senator Chase and McCoy spoke against passage of the bill.

MOTION

Senator Honeyford demanded that the previous question be put.

The President Pro Tempore declared that at least two additional senators joined the demand and the demand was sustained.

The President Pro Tempore declared the question before the Senate to be, "Shall the main question be now put?"

The motion by Senator Honeyford did not carry by a rising vote and the previous question was not put.

Senators Conway and Nelson spoke against passage of the bill.

Senator Pedersen spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5748.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5748 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 23; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Baumgartner, Becker, Benton, Braun, Cleveland, Dammeier, Ericksen, Fain, Frockt, Habib, Hewitt, Hill, Hobbs, Honeyford, King, Kohl-Welles, Litzow, Miloscia, Mullet, O'Ban, Parlette, Pedersen, Rivers, Schoesler and Warnick

Voting nay: Senators Angel, Billig, Brown, Chase, Conway, Dansel, Darneille, Fraser, Hargrove, Hasegawa, Hatfield, Jayapal, Keiser, Liias, McAuliffe, McCoy, Nelson, Padden, Pearson, Ranker, Roach, Rolfes and Sheldon

ENGROSSED SUBSTITUTE SENATE BILL NO. 5748, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Fain: "Thank you Madam President. Obviously we've worked hard over the last few weeks. I think we passed out a record number of bills. This is perhaps one of the first times in at least the history that I'm aware of that the senate has passed more bills than the House of Representatives prior to cut-off. There may be mixed feelings on the floor of that but the reason for my personal privilege Madam President is that there are some individuals that I think that need to be recognized in our achievements over the last few weeks and so I would very much like the rostrum staff to stand and, with your permission Madam President, be recognized. While these hardworking individuals, as we take quick breaks to grab a snack or use the facilities during roll calls they don't get to go anywhere until we go to ease and so there efforts are much appreciated. And their efforts early tomorrow morning for an early pro forma session will also be appreciated."

MOTION

At 5:33 p.m., on motion of Senator Fain, the Senate adjourned until 7:50 a.m. Thursday, March 12, 2015.

BRAD OWEN, President of the Senate

HUNTER G. GOODMAN, Secretary of the Senate

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